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SOCIALISM

NEW AND OLD

BY

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PREFACE.

IN a former work written by the author, entitled "The Social Problem," the various forms of existing Socialism were briefly considered as proffered solutions of the Social Problem. In the present work the whole subject of Socialism is considered more fully (especially from the historical and economic side) than the scope of the former work allowed. The book is thus a new and independent work; though in the chapters on "Practicable State-Socialism" the reader of the present volume who may by chance have read the former one, may observe a certain similarity in the conclusions reached, as compared with those in a chapter of the earlier work dealing with specific social remedies. On the other hand, he may note a greater definiteness in the statement of certain conclusions, and possibly even—a difference of a more essential kind—a qualification of some of the results formerly set

forth. Where there is really such a difference—as to some, though not to a considerable extent there is—the conclusions here given are to be taken as the author's more matured opinion on the subject.

I have to express my thanks to Mr. Goddard H. Orpen, of Lincoln's Inn, for his careful reading of the proofs while passing through the press, as well as for suggestions and criticisms which assisted me to make improvements in particular parts of the book.

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INTRODUCTION.

I.

THE object of this book is in the first place to give an account of contemporary Socialism, its forms and aims, its origins, and the causes of its appearance and spread; secondly, to examine how far, taking the most reasonable form of it, it is desirable or practicable; thirdly, to set forth certain measures of a socialistic character that would seem both beneficial and necessary as supplements to the present system, to adopt which there is a spontaneous tendency on the part of the State, and to which the course of the industrial and social evolution seems to point.

I have devoted a certain space to the history of Socialism, in order not only to explain the particular forms it now assumes, but also to show that in its essence it is no new thing; that it has frequently appeared before, and has always been produced by like causes; that in its most frequent and recurrent form of communism the universal human experience has rejected it as unsuited to average human nature, though in primitive times groups of kindred in village communities were general; that where any species of Socialism has been found practicable and advan-

tageous, it has been rather what we should now call State-Socialism, by which, as in the Jewish polity, institutions like the Jubilee were interwoven with the fundamental laws of the State ; a species of Socialism that aimed not at abolishing private property, but at universalizing it, and, by interposing obstacles to its too-easy alienation, mostly by limiting the field of freedom of contract by express commands, at preventing great inequality from arising.

I have outlined the successive schemes of the chief social system-makers, and have dwelt at some length on the views of the three writers who have been most influential as respects the development of Socialism, namely Rousseau, St. Simon, and Karl Marx ; the first, the founder of modern Democracy and of State-Socialism ; the second, of a kind of aristocratic Socialism based on natural inequality of capacity ; the third, of the new Socialism, which has gained favour with the working classes in all civilized countries, and which agrees with the first in being democratic, and with the second in aiming at collective ownership.

It is with the third of these, commonly called Collectivism, that we shall be concerned in the second part of the book (Chaps. IV.—VIII.). And with respect to it, we must first observe that the historical summary which condemns communism in general as impracticable does not apply to it, in so far as it allows to some extent private property and inheritance ; it would only apply to it in so far as it approaches to communism. But the Socialists hold further, that a historical condemnation of past systems

does not apply to their system, because the industrial and social circumstances are different to-day, because their system, they say, is adapted to the new circumstances, and because the social and industrial evolution still going on is spontaneously leading up to their ideal, and must inevitably issue in it, spite of argument or of effort to the contrary. And there is in this so much of truth, together with unproved or doubtful assumption, that the system must be examined separately on its own merits, apart from the judgment of history on past systems.

I take the form of Socialism called Collectivism, which postulates the collective ownership of land and capital, with production under State direction, to *be* Socialism. I do so because most Socialists, as a matter of fact, are collectivists, and because the collectivists regard themselves as the true church, though, as will be seen hereafter, there are differences within its bosom as to the way of attaining the goal, the further and ultimate aims when the goal is reached, and even as to the time of its realization; there being some who look for the coming of the Socialist kingdom within a generation or two, whilst others postpone the event indefinitely, but still expect it to come.

In giving an exposition of Collectivism, there is a difficulty from a certain reserve on the part of authoritative writers as regards their positive programmes. Neither Karl Marx nor Lassalle submit any beyond the vaguest outline, as M. Leroy-Beaulieu complains; but this want of definite programme, as

Dr. Schæffle says, in his criticism of the new Socialism, is perfectly natural, as well as prudent on their part; and after all it is just as well that they do not submit detailed programmes; the refutation of which, however much the refuter might plume himself on it, would be little to the purpose. It is best that our attention should be directed to the main topics and larger issues round which the battle must turn. And the main topics, with which the principal issues are connected, are the chief economic categories: the production of wealth; its distribution amongst the different kinds of labourers, productive and unproductive; money and exchange, with their proposed suppression under Socialism; the theory of value; these, together with the position of the liberal professions, of literature, art, science, and the nature of the Socialist Government; —with reference to all of which I have considered the views of the new Socialism in Chaps. V. to VIII.; while the argument of Karl Marx, on which the moral case of Socialism rests, is examined in Chap. IV.

In the expository part I have confined myself in the main to general considerations; where details are entered into they are such as are either generally agreed upon by Socialists, or are the strictly logical consequences of their general principle—consequences which can be seen necessarily to follow by placing oneself at the central point of view. Where the Socialists themselves have not come to unanimity on a capital point, such as whether there is to be equality or inequality of remuneration, both views are

considered, as well as the general tendency of the system to one or other.

As the result, partly of the historical review, which shows what things the universal human experience has decided against in the past, as well as what has stood the test of time, partly of the criticism which shows how much of the present system must be retained, and how much of the Socialist system must be given up, but chiefly from the consideration of powerful present facts and tendencies,—what is practicable in the general Socialist direction, as well as what is in the sequence of these tendencies, is ascertained and stated in the last four chapters. It is in this way only that the course of the social movement in the line of least resistance can be roughly discovered. I believe that the path of the possible for statesmen and social reformers lies in the direction and within the limits there indicated, though the category of time has to be considered, and public opinion may not be ripe or not equally ripe for all the measures indicated.

II.

I HAVE aimed as far as possible at scientific treatment throughout, that is, I have tried to consider the subject from the point of view of the economical, moral, and political sciences, as being the only mode of treatment that goes to the heart of the subject. Moreover, the new Socialism calls itself scientific, and appeals to political economy, and to historical science including the new doctrine of evolution as exemplified

in the history of human societies, and it must be met and judged on its own ground. It appeals in particular to political economy, as in fact does also the existing capitalist and individualist system, so that the decisive battle must be fought in the field of economics. But here it is especially necessary to distinguish laws that always hold and that are more properly called scientific laws, from laws that are merely temporary, or local, to distinguish hypothetical from real laws and the fully-verified theory from the theory still disputed,—the latter occupying a considerable portion of the economic field. We must also distinguish the practical postulate or assumption like *laissez-faire* from other fundamental assumptions such as the universality of competition, the former being a maxim of policy more and more discredited as a maxim, the latter a fact generally realized, and depending on principles of human nature, though in its mischievous forms becoming less true from the spread of the opposite fact of combination. Both the facts of *laissez-faire* and competition were indeed necessary and fair assumptions to the orthodox economy when it occupied a larger and more undisputed territory than it now does; but the former was a principle of Political Economy in a wholly different sense from the latter; it was an assumption which implied a precept or maxim of State policy, the latter an approximate generalization which largely corresponded, and which still, though in a less measure, corresponds, to facts. If these distinctions are not made, the Socialist and the Individualist may alike beg the

question under cover of an appeal to the assumed "principles of political economy."

Accordingly, we cannot allow Karl Marx and the new Socialists to assume as beyond dispute Ricardo's theory of value, which makes the comparative value of commodities depend on the comparative quantity of labour necessary to produce them and carry them to market; because there are decisive reasons against the theory, which moreover has been objected to on good grounds by authoritative English economists since Ricardo's time.[1] Nevertheless, this theory of value of Ricardo's, slightly developed, or altered, together with his famous theory of minimum or bare subsistence wages (called by Lassalle the "Iron Law of Wages"), a little exaggerated, is the foundation of Karl Marx's whole attack on Capitalism, and of the attempt to prove capital and its accumulations the result of spoliation.

Moreover, this same theory of value in another aspect, in which the quantity of labour is measured by hours of "average" or common labour, is made the foundation of a supposed law of distribution, which is to render to each in proportion to his amount

[1] It is indeed partly defended by Cairnes, in whose hands, however, the innate impotence of the theory is unintentionally made manifest; as by "quantity of labour" Cairnes understands duration or the number of hours of labour, but insists that these should be multiplied by the severity of the labour and again by its risk; being apparently unconscious that the word "multiplication" has no meaning where there is no quantitative measure of the multiplying factors, as in the case of degrees of severity or of risk.

of work—in fact, to furnish a self-acting law of distribution, by which distributive justice would be meted out to all; which would indeed have been one of the greatest discoveries ever made if the theory could be sustained.

The theory of value, in the hands of Karl Marx, is in fact almost the whole of Socialism. According to Dr. Schæffle, the most candid as well as the keenest critic of Socialism, the theory is "in the strictest sense the basis of Socialism. It is of no less importance than any theory of Rousseau's, and its correction is perhaps significant for the history of entire nations." For these reasons the theory must be subjected to a searching criticism before we can let it pass as proved.

On the other hand, when an "orthodox" economist or a politician objects to a proposed practical measure as being "against the principles of political economy," he should be asked whether he means the principle of non-interference, or the theories and laws of the science; if the former, he merely assumes the point, but if the latter, he should be reminded that some supposed laws and theories, like Mill's Wages Fund theory, are not merely in dispute, but given up; that others, again like the law of supply and demand, are eternally true, e.g. that a diminished supply of a necessary, demand being the same, raises its market value, and may raise it much; that an over-great supply of any commodity (labour included), compared with demand, must lower its value, if all of it is to be sold, it being because of the former law

that the interference of Government is asked for in the cases of monopolies (or syndicates, unions, and trusts), controlling any necessary of life, so that proposals which he would perhaps call socialistic may be made to rest on an economic law or fact, and can equally with his own be asked for in the name of political economy; from all which, and more that might be urged, follows the conclusion to be insisted upon, that while part of political economy is eternally true, and cannot be disregarded, even though it lend itself to Socialism as well as to Individualism, part is doubtful, and should be distinguished, and part again is ceasing to be true, except hypothetically, from the simple fact of social and industrial evolution.

In order to have a more indisputable as well as useful body of economic doctrine to appeal to in the controversy between Socialism and Individualism, as well as in the more limited one between Capital and Labour, it would be desirable to have the laws which determine wages and profits, as well as those of values and prices, restated up to date, and on the assumption, not only of competition, but of combination more or less complete on the part of labourers as well as employers. It will be more useful in future to know what determines the wages of the different grades of labourers, especially of the skilled on the one hand, and the unskilled on the other, than what derermines the general or average wage of all labourers as was formerly asked. The Wages Fund theory will have to be finally dropped: the theory which made average wages depend on the

proportion between capital and population ; or more strictly between a part of capital called the Wages Fund and all hired labourers ; the short formula to which the labourer and his philanthropic friends were formerly referred, which saved all the trouble of examining special remedies for low wages ; to which, in particular, trades unionists were referred to prove the impossibility of their raising their own wages without cutting down the wages of other labourers, because the amount to be divided amongst them all was a fixed and unalterable sum ;—this theory, the comfort of the capitalist, the economics in a nutshell of the Malthusian, has finally given way in spite of the able efforts of Cairnes, "the last of the orthodox," to prop it up.

In treating the problem of wages on the assumption of combination as well as competition, at least four cases may arise, viz. that of competition amongst both employers and labourers ; of combination amongst both ; of combination on the side of the labourers, but not on the side of the employers (which is now perhaps the commonest case) ; of combination on the side of employers, but not on the side of the labourers (which is a not uncommon case). There is also the case, increasing in frequency, of partial combination on both sides. But whilst all these cases are possible, the tendency is to further combination in both camps : and the resulting problem of how to determine wages or the price at which labour will be sold, or at which a bargain will be made, becomes a very difficult one. The wages might be the result of a trial of strength

and resources between all the labourers and all the employers in a particular trade or branch of labour; while if a dispute were confined, as it generally now is, to a particular group of labourers within a given area and locality, e.g. the bakers, gas-men, railway porters, and their employers, it would also be a question of resources or staying power, where the employers would generally occupy the stronger position were both sides left to fight it out. But the fact is that the public is generally a deeply interested party, and public opinion of necessity almost takes the form of putting pressure on one or other side, according to its ideas of fairness or of the general interest, and thus of compelling one or other side to give way. If the adverse sanction of public opinion did not cause the dispute to be arranged, arbitration would be necessitated, or failing that, the interposition in some form of the public authority.

There, however, is one thing no strikes could effect, nor any court of arbitration effectively award for any considerable length of time, namely a rate of wages that would lower profits, or more properly speaking interest, much below what was current in the business sphere in general.

Such is the form in which the problem of wages tends to present itself more and more in future, which makes it difficult of treatment by the old economic methods. Moreover, prices tend more and more to be determined not so much by cost of production as by monopoly, whether that of the original producers or that of any of the series of intermediaries who may

temporarily control the supply, especially in the case of necessaries or commodities in great demand; in which case prices tend indeed, as economists say, to depend on the relation between supply and demand, which, however, does not tell us much, but in which it is clear that the monopolists are in a very advantageous position for forcing up the price, in the case of necessaries almost indefinitely, in the case of other things not so high, but still too high; from which there follow these two consequences, the economic one, that there is no single uniform law of prices for all such cases, and the practical one, that if such monopolies increase, and if the monopolists abuse the position of vantage they hold, there might come a necessity for State interference, however Socialistic such conclusion may appear. Competition amongst the sellers has hitherto largely guarded the buyers against high prices; competition, though it has sometimes resulted in sophisticated goods, has, on the whole, been a gain to the consumer, that is to everybody. But if the sellers of goods or indispensable services should form combinations; if bread, coal, beer, and other syndicates should be formed, or a series of such, wherever there are many intermediaries between producer and consumer, then the prices might rise very high, especially if such grew so great as to embrace most engaged in the production or most of the wholesale or retail distributors; while, if there should arise powerful monopolies that paid both the lowest wages to their employés, and exacted the highest price from the consumer, of which the rail-

way companies form a partial present example, it might be found necessary for the State to interfere (were it only at first by way of regulation after due inquiry) with such a formidable power wielding such a two-edged weapon.

Thus, then, while political economy must be appealed to in the Socialist controversy, as in fact both sides do appeal to it, though the battle must be largely fought on the economic field, and though the received economic method and conceptions must be largely made use of for clearness and convenience, and because they are the best available intellectual implements, nevertheless much of the economic field is in dispute, while the received method and conceptions are imperfectly able to deal with the difficult problems raised and the newer ones soon to be raised.

III.

BUT the question of Socialism, though an economical one in the sense explained, is even more essentially an ethical question, as it involves, in the first place, the whole great question of justice—not justice in the narrow sense in which the word is commonly used, but in the most comprehensive as well as deepest sense. Socialism has come into the world because of injustice, in the first instance: so say the Socialists. It is also come because the social evolution has prepared the way for it; but still its main aim is to realize justice. The present system, industrial and social, the

Socialists say, is organized injustice, which results in injustice in all directions, gross and palpable. And the remarkable thing is that they have all but gained over, or are gaining over, the economists to their view, both in England and in Germany. Mill, for example, in his "Political Economy," constantly declaims against the injustice involved in the present distribution of wealth, and he repeats his denunciation in his "Autobiography." Cairnes, in his last book, has discovered that the results of the existing industrial system "are not easily reconcilable with any standard of right generally accepted amongst men," and he quotes Shakespeare as on his side;[2] while Professor Sidgwick, eminent as a writer on morals as well as economics, goes so far as to say, "If the former method (the Socialist's) of providing for the progress of industry could be trusted to work without any counterbalancing drawbacks, the perpetuation of the inequalities of distribution that we see to be inevitably bound up with the existing system would be difficult to reconcile with our common sense of justice."

The point, then, of the resulting injustice of the existing system is conceded. The question of course still remains, whether Socialism would secure any greater justice, and whether it would be practicable, taking human nature as it is.

[2] "Take physic, Pomp,
Expose thyself to feel the woes that wretches feel;
So shalt thou shake the superflux to them,
And show the heavens more just."

Two rules for securing distributive justice are indicated: the first, the simple rule of equality, the second, that each should receive according to his works. Now the former does appear at first sight as if it would secure greater justice than our present system; but whether it would be really just is disputed by different Schools of Socialists; the St. Simonians in the past, as well as some of the present Socialists, being opposed to it as unjust. The question would be an extremely difficult one to decide on ethical grounds, but the real question is less one of abstract or ideal justice than of expediency. The question is whether it would be practicable at all, and if it could conceivably be practicable, whether it would not be disastrous: whether the equality would not be a universal equality in poverty, at a still lower level than that of the mass of the working-classes of to-day.

The second socialist rule for securing greater justice, that each should get, not equally, but in proportion to his works, or the quantity of his labour, is one that we shall have to examine carefully hereafter. As to its justice, there are differences of opinion, Mill contending that the rule of equality appeals to a higher standard of justice; but even if we allow that there appears a kind of justice in the unequal rule, and that it is more in agreement with existing human nature, there arises the greatest difficulty, or rather impossibility, in applying it on the Socialist lines, from the want of a common measure of quantity applicable to the different kinds of labour.

As Professor Jevons says, it is "impossible to compare, *à priori*, the productive powers of a navvy, a carpenter, an iron puddler, a barrister, and a schoolmaster." This is true, and the confusion into which it throws Socialism, which rests on the assumption that they can be reduced to a common denominator in hours of average or common labour and compared in amount, will appear more fully hereafter.

But the Socialist controversy raises even deeper questions than that of justice. Besides the deepest psychological questions, it raises the whole difficult and disputed question of man's capacity for moral progress. And first it is allowed by thoughtful and fair-minded men, like Mill, Laveleye, and Schæffle, that Socialism would not work unless man's moral nature were considerably improved. But the science of psychology shows a certain stability and certain permanent facts in human nature, in particular the most eminent psychologists, like Spencer and Bain, report the fact of egoism (self-interest, self-love) as a fundamental and an instinctive thing not to be got rid of. Moreover it is passed on from generation to generation through heredity, so that each generation has about the same total amount of it as the preceding one. It is a sure inheritance, and so general that political economy has made it its fundamental postulate, which, as Senior says, is related to all its conclusions as the *dictum de omni* in Logic is related to all syllogistic conclusions; the economic laws, being all tainted with this original sin, only holding if the fact of egoism be granted, being merely so many

special modes in which it is exemplified. The question then is raised, can this fact of deep ingrained love of self be considerably reduced, and not merely in superior spirits here and there but generally? for if it cannot, the Socialism that aims at equality, or even at greatly reducing inequality, would not work. And it would be even less suited in this respect to a modern civilized community than to a less advanced one; for though our egoism is perhaps not greater, it has discovered new wants; it has been specially and increasingly tempted during the past hundred years by the vast new masses of wealth to be competed for. It is probably more grasping in all that refers to the acquisition of money and material things than ever before. Unless, then, a large scope could be given to the "favourite private affection," as Butler calls it, and a larger scope than the new Socialism can promise, Socialism is impracticable.

Any system, socialistic or other, which does not allow sufficiently for this fact of human nature, which requires to postulate that it can be largely reduced, especially that it can be reduced in a short time, would in practice be doomed to speedy failure. The self-regarding side of human nature slowly changes, is slowly reduced; the opposite side, including benevolence and love for others, slowly increases; so slowly that at the end of nearly 2000 years we are behind the early Christians, and it is a question if we are beyond the Greeks and Romans at their best period, though we have had the help and the sanctions of a religion that urges us to reduce egoism

and to increase our love for others as our chief duty.

Some of the Christian Churches, recognizing the impossibility of a man changing his own nature for the better, get over the difficulty by the assumption of a special miracle. Can the Socialists expect a universal miracle? Apparently the more sanguine do; they think that within a hundred years at latest men will be fit for the Socialist kingdom of heaven, not to speak of those who would take the kingdom by violence, even before the present generation passes.

I do not deny the fact of moral progress in certain directions during the past hundred years; that there has been a new sense of Justice, an awakened Conscience, enlarged Philanthropy, shown in certain choicer spirits, especially with reference to the labouring classes and the poor. I allow that moralists have rediscovered the Christian duty of love of our neighbour when religion was beginning to lose its authority, and that psychologists have found a basis for it in certain facts of human nature; that English moralists of the eighteenth century of all schools have proved that benevolence, or love of our neighbour, is the whole, or nearly the whole, of virtue. I allow, too, that in the nineteenth century, Benthamism, which makes virtue or right conduct consist in actions tending to maximize happiness; Positivism, which makes it consist in the love and service of Humanity; Socialism of the St. Simonian type, which makes virtue and practical religion in the fortunate classes to consist in endeavouring to raise the condition

of the class the most numerous and the poorest,—are all facts in favour of the Socialists' faith in improved human nature. Nevertheless, I believe that little real impression has been made on egoism or the opposite side of human nature. I believe that it has even been intensified on its more anti-social side; that there has been moral loss as well as gain, and that it would require an extremely skilled moral valuator to cast up the moral profit and loss of the account.

For egoism has undoubtedly been tempted to an extraordinary degree by the prodigious development of wealth during the past century, and the new possibilities of making fortunes, first in England by her world-wide commerce and the monopoly of foreign markets, then in the other leading European nations, and, above all, latterly in America, in the exploitation of a continent prodigal in natural resources. All this wealth was, in the first instance, the prize for the capitalist class,—the manufacturers, merchants, financiers,—and through them subsequently, a large part of it, for the non-trading sections of the middle class, professional and other. Assuredly, if the love of money is the root of much evil, it was never so stimulated before. And the resulting Mammonism denounced by Carlyle forty years ago has not grown less, but greater, and has infected more. Wealth is more keenly pursued than it was one hundred or even fifty years ago. Egoism was formerly held in check by Religion, Love of Country, Honour, devotion to a Cause,—high influences, before

which it was rebuked, and which sometimes totally overcame it. A man dared not formerly confess self-interest his sole motive, and did not make money his one end in life. There was an old-world idea that the pursuit of money was not a high one; that it could scarcely be followed with clean hands; a notion that long survived in the feudal families' dislike of "trade." The ideas and the practices are all different now. Money is power, and much money, as Mill says, is the mark and measure of success in life. I do not deny that rich men have often latterly shown public spirit in endowing the public with part of their acquired wealth. But these are exceptions; the rich as a class have not done their duty, and they have not, as Carlyle complained, ennobled and humanized their work by making a chivalry out of it, by attaching to them, by bonds of loyalty and devotion, their allies in the industrial fight, as even the robber barons and worst of the feudal lords did their liegemen in feudal times. They have too often cut down their wages, not even giving them "prize money" as the result of successful battle, till mutiny, in the shape of trades unions and strikes, at length in some measure compelled them.

On the whole, then, whoever affirms that there has been moral improvement will have to weigh very carefully the many moral evils that have come with the great accumulation of wealth, including luxury, rapacity, ostentation, pride of purse in the possessors, servility and envy in others; the general covetousness and corruption; the cheating and

swindling; the oppression of the weak, the plunder of the widow and the orphan by fraudulent companies; and set over against them the counter-facts of philanthropy, benevolence, awakened conscience, sense of justice, which also have shown themselves though in other members of society, and it will be found a difficult thing to pronounce a confident verdict. The most that could be said is, that while in some directions there has been moral advance, in others there has been retrogression.

One of the most disputed and difficult questions in the history of civilization and morals is precisely that which is here involved, namely, whether general progress, including progress in the arts and sciences, implies a moral improvement, or the reverse. Rousseau contends that the progress of the arts and sciences, and the increase of wealth, corrupt morals; that a nation is in a healthier state in its earlier stages. Sir Henry Maine affirms that Rousseau was wrong, but Carlyle, in his "Past and Present," in which he represents society as healthier in England in the time of Henry II. than in the nineteenth century, agrees with Rousseau. The new German Pessimism, in agreement with the old Calvinism, does not believe in moral progress; it thinks that the quantity of evil in man is constant, and only varies in its modes of expression. Mill is on the opposite side, but he rather believes that great moral progress will be, than that there has been much as yet; Herbert Spencer is also optimist; but let not the Socialists derive comfort from the prophet of evolu-

tion, according to whom the species improves indeed, but at a rate so tantalizingly slow that men would not be ripe morally for the Socialist state for a thousand years. With such a conflict of authorities it might be rash to pronounce confidently. I shall therefore only venture the opinion that the species has morally improved on the whole ; that even society within the past hundred years has become better, because its ruling classes have been somewhat awakened, and made to reflect by powerful preachers, and by severe lessons of experience ; while the manners of all have been softened, and the laws have become more just and humane. But as respects egoism, there has been little improvement, especially on its weak side, where it seeks for this world's goods. On the contrary, I believe we have rather retrograded.

At all events, this quality of egoism, or self-interest, is still far too strong, and far too general to allow us to hope for much from proposals which postulate its great reduction, or extinction, or its transformation into love, fraternity, or sympathy.

It is easy to see how important this point is in relation to Socialism, as on it turns the question whether Socialism is possible soon, or later, or never. The question of man's goodness and of his moral progress, which Socialism postulates, is in dispute, but the balance of opinion is against the Socialists, and the doctrine of scientific evolution to which they appeal is against them. Indeed, so clearly is it seen by certain Socialists that it is vain to look for much moral improvement especially in the capitalis

class, that they advocate revolution. Change the environment, say the revolutionists, forcibly if necessary, and men's natures will be obliged to adapt themselves to the new order; they would accept the inevitable, even the egoistic capitalists would acquire the virtues necessary for the new condition, or they would suffer worse. Nevertheless, neither would this be a hopeful course, if, dispensing quite with love or fraternity, the new order insisted on equality, or even a very large levelling down of fortunes. There would be found so many dissatisfied spirits, and so ill at ease in the new community, spirits so restless, energetic, artful, wilful, that (it is much to be feared), by art or force, they would fashion things to their liking in the new order, or—which would be still simpler—restore the old, that the revolution would in fact lead to counter-revolution.

But though complete Socialism would require a moral improvement not likely to come soon, some of it, and a considerable improvement on the present is possible, without postulating a human nature much better than it is. There are reforms which might be attempted taking us "just as we are." A wider justice is undoubtedly possible, for human nature has a certain affinity for justice, or as M. Rénan expresses it, in an unjust world "man has an invincible leaning towards justice," without a minimum of which no society could exist. And if it be difficult for interested parties, capitalists and landlords, to see justice, may not disinterested third parties see it? May not philosophers, judges, chief justices, even

legislators, other than those interested, find it out for them, and through law compel them to do it? Though perfect justice be an unattainable goal, an ever greater approximation to justice is undoubtedly possible, and the time is hopeful to try for a further extension of it. Apparently, Lord Chief Justice Coleridge thought so too, when, in a remarkable article published not long ago, he recommended a revision of the laws relating to property and contract, in order, as he says, "to facilitate the inevitable transition from feudalism to democracy;" and laid down that "the laws of property should be for the general advantage, and not for that of a class; that they are made by the State for the people of the State, and that they should be expressions of the cultivated intelligence which controls and leads the opinion of the State upon the various subjects of its laws." He also declares in noteworthy words about certain so-called free contracts, that the contract should be void "when one party to a contract can impose and the other party to it must accept its terms, however burdensome, however inherently unjust," and that "contracts nominally free might be cruel instruments of tyranny and oppression, to be denounced by moralists, and to be summarily set aside by just and fair laws."[a] These are weighty and remarkable words, coming from one in the high position of the writer, and very significant of the set of public sentiment, as well as of a new spirit in the interpreters of law and justice. The Church might also aid the work. There is no

[a] *Macmillan's Magazine*, April, 1887.

contradiction between religion and a qualified Socialism aiming at greater justice. Moses and the Prophets were Socialists, in a certain sense, as well as religious men. They aimed at social justice; they believed its realization on earth to be the wish and the will of God. Nor, as will be shown hereafter, is there contradiction between such Socialism and the Christianity of the Gospels.

IV.

THE question of Socialism and the Social Question generally is, however, more obviously related to politics than to religion. It more concerns the State than the Church which can only act in favour of Socialism by influencing the inner moral disposition. The State can act on the will. It has great power; through its laws and institutions it can affect the relations of classes. It can temper great inequality. It can mitigate poverty. It can check the strong oppressor. It can protect the poor, their health, their lives, their property. Many of these things it has already done to some extent, and it has shown an increasing tendency, within the past forty years, to interfere in order to protect the feeble workers, and to restrain unscrupulous employers.

Not only has the State great power to aid the lower and poorer classes, it has acknowledged duties; and these are extending also. Besides administering justice, it is its duty to aim at justice in its laws. Its duty is more than the protection of life and property. It has to make just and beneficial laws respecting

property. It is its duty to enforce contracts; but it may also be its duty to narrow the sphere of contracts in certain cases affecting many where the contracts cannot be really free. It is the business of the State to jealously watch all monopolists, and it may become its business, in certain cases, to prevent the formation of monopolies, or to take from those already formed the power of raising prices at discretion.

So great are the powers of the State to help. So acknowledged are its duties. Still the powers of the State are not infinite. There are things it cannot do, economic laws that it cannot alter, economic evolutions that it cannot prevent, though it may modify them; laws and evolutions therefore that Statesmen should know, in order to know the right course to take having regard to them. What the State can do, what it further should or might do without traversing, but accepting and allowing for, these scientific laws and tendencies, as well as the limits within which these laws and tendencies should confine its action it will be our business to consider carefully hereafter.

Meantime, it may here be stated that if not Socialism, yet socialistic principles are, without doubt, destined to influence the politics of the future in this, as in every civilized country. There are signs, too many and various to doubt of it; and politicians, judging from their own words, however vague and general, are probably in their hearts aware of it There can be no doubt about it: the Social Question, so long held back, and ignored, is pushing

forward in several directions, and it is felt by politicians that it must be faced and dealt with.

In such a case the wise thing for politicians is to get a clear comprehension of Socialism and the Social Question, in order to discover how far the latter is soluble, how much of the former is practicable, just, likely to be beneficial if adopted by the State, how much is Utopian, or tends to chaos, or to general mischief. One reassuring thing, however, may here be mentioned for the apprehensive politician, namely that the English working classes are not Socialists; nor are they very promising materials out of which to make Socialists, if we may judge by the proceedings of recent Trades Union Congresses. The trades unionists, who number nearly a million, in general of the most intelligent and best paid of the working classes, do not believe in Socialism any more than in Co-operative Production. They are not Socialists in the strictest sense; they do not ask for the collective ownership of land and capital; they think the proposal impracticable, and they probably think that it would be bad for themselves. They would like higher wages, and fewer hours of work for the same wages; but, where this is possible, they think they can secure the end without the help of the State, through refusal to work on other terms. Whether they are right or not, they do not ask for State interference, not even to bring in an eight-hours' working day, save in particular trades, such as mining. They have not asked for much legislation that can be called socialistic; of what they

do ask from Parliament, namely increased employers liabilities, additional regulations for factories and workshops, and increased inspectors, the prohibition of cheap foreign labourers in some cases, the taxing of ground rents, the nationalization of the land—only the two last can be described as Socialistic; the last of all, which was included in the political programme of the Congress a couple of years ago, out of keeping with the rest as it is, being, perhaps, rather a pious opinion, added for the sake of effect, or out of deference to the prejudices of others, than seriously meant or desired.

On the whole, there is not much Socialism manifest, whatever may be the latent aspirations of the best-paid sections of labour. Still, Socialism has appeared in England, and it is spreading amongst the common or unskilled labourers, the casually employed, and the unemployed, including the displaced labourers, and indeed amongst the displaced and the distressed of all classes. And as the lower grades of labourers, to whom specially are the promises of Socialism, are very numerous, and have got votes, it is not unlikely that socialistic measures for their benefit will be proposed before long in Parliament.

As to this portion of the problem, it would be well for the State to anticipate the labourers. It is its duty to help the more helpless, if it can, without waiting for pressure. "The true art of the statesman," as a German writer on political philosophy rightly says, "will lie on the one hand in trying to prevent the members of the organized classes of

labour from falling into the unorganized proletariate; and on the other in assisting as many as possible to rise from the proletariate into the organized class where they can obtain a comparatively secure subsistence;"[4] an art which I will add, though not impossible, will tax our statesmen's resources to the utmost.

V.

So far we have only considered Socialism as a working man's question, or a poor man's question. But to regard it as solely such is to take too narrow a view of the subject. Socialism will never go far or accomplish much unless it has promises for more than the merely poor. It will never arouse sufficient enthusiasm; it will not enlist capacity in its service, but rather repel it; it will not, in consequence, acquire the necessary momentum.

Most certainly modern Socialism as conceived by its first founders, St. Simon and his school, had a larger and wider aim than the elevation of the poorer classes. That indeed was one of its express aims, "The amelioration of the condition, material, mental, and moral, of the poorer classes." But it had a wider and more comprehensive ultimate aim, which embraced the former one, and more, namely the general reorganization of labour and the distribution of its fruits on a new and juster scheme. It proposed to place every capacity in its fitting field of labour

[4] Bluntschli's "Theory of the State," Book II. ch. xviii. On the "Survey of Modern Classes."

and to reward each according to its works, which, if it could have been done, would have solved what is now called the Labour Question, or the working man's question, and the larger question of distribution in general, by giving to every one his due.

The old Socialism was more universal than the new; it addressed itself to all the world, including particularly the poor, excluding only the inheritors of wealth, and them but partially. It strongly denied equality of capacity, but desired equality of opportunity. It did not contemplate equality of reward, which it conceived to be unjust. But by the new Socialists of the Social Democracy of Germany and elsewhere, Socialism is thought of mainly as a labourers' question, and a general levelling and equalizing is what appears to be aimed at, although the natural course of social evolution, so often appealed to by Karl Marx and the Socialist writers as leading to their ideal, gives no ground to expect any such general level. The tendencies which according to the Socialist writers must irresistibly end in Socialism give no hope of a Socialism of the kind desired; they are not in the direction of a Socialism based upon equality, but of inequality; they do not point to the realization of the ideal of the Socialism of Karl Marx, but rather to that of the St. Simonians.

The new Socialists point to the extension of the State's functions in the sphere of industry, the increasing concentration of capital in larger masses, the extension of the principle of association, as signs of

the coming of Socialism ; they tell us that a universal Socialism *may* come by the successive absorption by the State of the industries most suited for its management, beginning with the great monopolies ; as fast as they cover the field, the State following and superseding them. But if Socialism came spontaneously in this way, as I allow that *in part* it might, it would not be likely to result in the desired equality, for the present principle of payment would presumably continue in all such extensions of Government management, as in the civil service and all the public services of to-day. The notion of equal remuneration would thus have to be given up ; but then, according to Dr. Schæffle, if the notion of equality in the control of the work and equality of remuneration be given up, the "spirit of democracy is scattered to the winds, and Socialism has no further charm for the masses."

As to this last, I am by no means certain : such Socialism might find favour with the masses, especially if, to use the words of Professor Sidgwick, "the principle of remuneration now adopted in respect of Government officials were retained, while at the same time the means of training for the higher kinds of work were effectually brought within the reach of all classes by a well-organized system of free education, liberally supported by exhibitions for the children of the poor."[1]

I doubt if the democracy would be opposed to inequality of remuneration or to authoritative control,

[1] "Principles of Political Economy," Book III. ch. vii. § 4.

provided there was equality of opportunity from the beginning of each one's career; for the father who had failed to reach the higher position would feel a sort of compensation and a source of consolation in the better chances for his children. He would, in some sort, feel as if through them he had a second chance, while the blame for his own non-success would lie with Nature, and could not be charged on Society or its institutions. But whether such Socialism would prove popular or not, it is perfectly certain that no general scheme of Socialism grounded on equality has any chance of success, because the middle and the upper classes would be opposed, and what is more significant, a very large class or section of well-paid labourers.

At the present there are two separate tendencies which might conceivably converge to form such a Socialism, which would be St. Simonian in essence, rather than the Socialism of Karl Marx and the Social Democracy. One of the tendencies is the conscious aim on the part of the State at raising the condition of the lower classes in the special directions noticed in Chap. IX.; the other, a quite different tendency and having only an indirect reference to the poor as such; which concerns the most capable of the whole nation—who would be surer of suitable employment than at present, and which concerns the whole of the people who would be gainers by having fitting fields open for their various abilities; and certainly, if inequality of money reward must continue, as in the industrial field at any rate it must, this would seem

the best principle on which to found it. It would be, if not absolutely just, which is an impossible ideal, a less unjust principle than the present, which, through inheritance, largely endows incapacity and narrows the field of opportunities for capacity.

The last tendency might be furthered by a different one, namely the tendency of the State to extend its function in the domain of industry, a tendency which undoubtedly exists, and which may increase in future with the tendency to large monopolies

If Socialism is ever to succeed, it will be in this form. At least it will appear first in this form, which while retaining the best of the present, would do away with much social injustice. A thousand years later the Socialism of equality may be possible ; but much of this other kind is possible now. It is not Utopian, it makes due concession to egoism ; it is *partly* in operation now as respects certain departments of the public service, including industrial departments ; in the Civil Service, the Military Service, the Educational Service, even in the Church. It was more fully realized in France under the first Napoleon, especially as respects the army. Capacity found its way open to command in it, but not in other armies, which was the chief reason of its extraordinary success, and why it entered most European capitals in triumph. Bonapartism was thus a kind of experiment on St. Simonian lines before the time of St. Simon, there being much in common (as Roscher says) between the two.[6]

[6] The Catholic Church in former times affords another partial

Such a scheme might, perhaps, not be a bad ideal goal—as to which, however, I have two observations to make. First, that we should go slowly and tentatively towards it, not taking a second step till the results of the first were carefully measured and known, a thing requiring both time and science; secondly, that to my judgment it is distinctly a case where part, as it would be more possible to get it, would also be much better than the whole; where a correcting and supplementing of the present system, somewhat on the lines suggested in the concluding chapters, would be better than universal state management and the suppression of private enterprise, which the St. Simonian Socialism involves no less than the new scheme of Collectivism.

It would be better economically to leave the largest part of the field of industry in the hands of private enterprise, both as a stimulus to invention and to new enterprise, as well as to keep Government management up to the mark by competition, and the contagion of energetic example. But, secondly, there are nearly as grave objections to the abolition of inheritance, which is a necessary part of the St. Simonian scheme, as there are to the equalizing of salaries contemplated by the Social Democrats (Collectivists). The abolition of inheritance would be

example. The best existing capacity was in her hierarchy. Capacity was sought for, enlisted in her service, and promoted, which in part explains her predominance in the Middle Ages, as she was intellectually superior; was really, compared with the rest of society, as the head to the body.

unjust as well as contrary to the deepest instinct of human nature. Let it be granted that the present law of inheritance works injustice; its proposed abolition would create an opposite injustice.

The complete abolition of inheritance would be unjust. In any case it would be inexpedient, unless human nature were altered. Because society will not get from an able man his best efforts, unless it gives him first, the hope of a correspondingly greater reward, and, secondly, unless it allows him to make a provision for his children with his savings. Most certainly men in general labour for their children far more than for themselves; and if inheritance were abolished, all the extra energy and all the extra wealth due to this deep spring of effort would disappear. In the industrial field, at least, it would mean diminished production, unless human nature had changed, and men had learned to love each other, and to labour strenuously for the good of each other.

The present system no doubt both works injustice, and also indirectly checks production, by keeping back the able, while it enables people who do no work to levy rent and interest on the general revenue of the country. And here again the middle course, as recommended hereafter, would seem to be the only practical solution of the perplexing question; the only conciliation of the social antinomy, that both the opposite views of Socialism and the present system are wrong as regards inheritance.

I am aware that the present Socialists claim it as a great point in their favour that they do not propose

to do away with inheritance. In reality, to touch it would be a mere work of supererogation on their part, because the salaries with them being equal, or nearly so, no one would be likely to have much to leave to his children. But if considerable inequality of salaries were allowed, there would be a reason, as the St. Simonians saw, for abolishing inheritance, in order to prevent inequality from becoming excessive.

VI.

THE immediate aim, then, and provisional social goal, till time and spontaneous natural evolution teach us more, would seem to be something like what is given in the concluding portion of the following pages; part of it having reference to the working-classes and the poor, part not referring to class, as such, but to capacity, including a large part of the natural ability without means to make its way, the special fostering of which would be both for the general good and for the good of the working-classes, whose ranks would contain a large part of it.

The proposals which specially refer to the working-classes and the poor are treated of under the heads of co-operative production, the creation of small owners of land, the regulation of factories and workshops, the proposed maximum working day; those referring to the nation generally, including the working-classes, under the heads of taxation, especially of inheritances, free education, the extension of Government management in the industrial sphere, especially where mono-

polies exist, or are likely to exist; the State having the advantage over monopolists of being a "moral person" not interested in unduly raising prices or lowering wages to make extra profits.

In addition to a general criticism of Socialism, certain current proposals short of Socialism, but yet in the Socialist direction, are considered; schemes for raising wages, for shortening hours of labour, for giving work to the unemployed, as well as one for doing both of the latter, by the examination of which I hope to make my position clearer and also to define more narrowly the limits of the action of the State, whether by legislation or administration.

The programme recommended can hardly be considered a very extensive one. But it is certainly as much as opinion is ready for. I believe it practicable, which cannot be said either of the new scheme of Collectivism or of the old, and in some respects superior, Socialism, or yet of some other schemes adverted to and criticized; the full reasons for which will in due course appear; so much having been here entered into chiefly to give the reader some notion in advance of the scope and general character of the work, as well as of the main topics treated, and the chief issues raised on a subject that, without doubt, will be one of importance for a long time to come, as at present it is one that engages the attention of most thinking persons.

SOCIALISM NEW AND OLD.

CHAPTER I.

THE FORMS OF SOCIALISM.

MODERN Socialism had its origin some seventy years ago in France, under the initiative of St. Simon. It took a definite form from his school about the time of the July Revolution of 1830; but after drawing to itself distinguished converts, and exciting much attention for a time, it soon passed away as impracticable. It rose again some time before, and particularly during, the memorable year 1848. This time it took more specific form as a scheme for the reorganization of Labour, but also a threatening form as a revolutionary force. In its former character it was found impracticable, after partial trial; in the latter it was suppressed by the sword, after a terrible insurrection in Paris. This time it was thought it had finally died. It was not so. It rose again in Germany about 1862, increased in strength, and fortified with stronger arguments, in process of time it crossed the Atlantic, and made many converts in America; and within a comparatively recent period (almost

within the past ten years) it has made its appearance in England, where it is making considerable progress. At the present time it is a wide-spread, almost a universal, movement, which shows itself in every civilized and Christian land where the same economic and social conditions meet; and it is certain that it is a movement that will not die without leaving important results behind it in the sphere of practice.

If the question be asked, What is Socialism? it is impossible to give a single definition that would find general acceptance, because the word is used by writers of authority in three different senses, in each of which again it is somewhat vaguely applied.

In the widest sense of the word, Socialism is any scheme of social relations which has in view a more equal distribution of wealth, or the preventing too great inequality, in whatever way this be effected, whether by State action, the voluntary efforts of individuals directed towards that end, Church action, philanthropy, or any other means; in which wide sense of the word Socialism embraces many social phenomena and movements, both in the present and in the past. Thus in the present it would embrace co-operative production, the communistic experiments in the United States and elsewhere, Christian Socialism, contemporary legislation to ameliorate the condition of small tenant farmers and the working classes generally, and even, if we set aside the means to be employed, contemporary anarchists' final aims. In this wide sense of the word, ancient laws and customs aiming at the prevention of

poverty or of great inequality, the various risings of the people for the same ends in England, in France, and in Germany, together with the ideas, and sentiments that prompted them, might all be styled Socialistic, and have been so described by Laveleye, Roscher, and other writers.

There is a second sense of the word, which is also perhaps the most usual sense, in which it covers only a portion of the above field of meaning. In this sense, the word is applied only to the aim and endeavour of the State to secure, by laws or institutions, a greater equality of conditions, or to prevent too great inequality, in which sense the laws of Solon, equally with certain legislation of to-day, the Jewish Jubilee, and even the English Poor Law would be Socialism. In this sense the legislation of the Constituent Assembly, and of the Convention during the French Revolution, which took from the nobles to give to the peasants, was Socialism, as the aim of the late Emperor William to make a provision for the workman in time of old age and sickness, by taking part of the insurance fund from the employers, was socialistic.[1] But in this sense, voluntary co-operative production would not be Socialistic; existing communistic attempts would not

[1] We might perhaps extend this sense of the word to cover the case of customs in the Village Communities acquiesced in by the Heads, even before there was any State or Law in the strict sense, when such customs aimed, as they often did, at preventing inequality. For though there was no State there was government, recognized authority, and custom held in place of law.

be Socialistic; even though both contain the central aim of Socialism, and the one thing common to all forms of Socialism at all times, namely, the aim at the diminution of inequality. In this sense loans by the State to associations of working men of capital at less than current interest would be Socialistic; and the recent agrarian legislation respecting landlord and tenant in Ireland was so far Socialistic, that it was designed, and had for effect, to benefit the tenant at the expense of the landlord. But the undertaking by the Government of an industry or a service like the Telegraph or the Postal Service is not necessarily Socialistic, if it be done for the general convenience, and without thought of diminishing inequality; though the farther such extension is carried the more it tends to become so, by its narrowing the field of private enterprise, and by consequence the profits of the capitalist class, and by coming nearer to the extreme Socialist's ideal of universal state-directed industry. Moreover, so far as the extension of Government functions in the economical sphere is accompanied by a classification of workers according to merit, and furnishes opportunities to talent without means, the nearer it comes to the ideal of St. Simon, who is generally regarded as the founder of modern Socialism.

It is in this second sense of the word that it is generally used by writers of authority. Thus, M. Janet defines Socialism to be "every doctrine which believes it to be the business of the State to correct the inequalities of riches that exist amongst men, and to establish the equilibrium legally by taking from

those who have too much to give to those who have not enough, and to do this in a permanent manner, and not merely in particular cases, such as that of a general distress or a public calamity."[2] Similar but fuller is the definition of Leroy-Beaulieu : "Socialism is a generic term which expresses certain modes of interference by the State in the relations between producers, or between producers and consumers. This interference has not for its object solely security, fidelity to engagements freely entered into by individuals ; it proposes to rectify or to correct social inequalities, to modify the natural course of things, to substitute for contracts whose terms have been fully debated and freely agreed to, official types of contracts, to come to the aid of the party reputed to be feeble, and to hinder the contractor reputed to be strong from drawing the whole of the possible advantages, natural or economic." To which he adds that "Socialism proceeds by way of regulations or by competition of the State with private industries."[3]

This is also the sense in which M. de Laveleye generally uses the word. In his work on "The Socialism of to-day" (Introd. p. xv.), he says : "Every Socialistic doctrine aims at introducing greater equality into social conditions ; and, secondly, it tries to realize these reforms by the action of the law or the State." But even he occasionally uses the word with a wider application, as where he speaks of the Nihilistic Socialism of Bakunin, which not merely re

[2] "Les Origines du Socialisme Contemporain."
[3] "Le Collectivisme."

pudiates all State action, but aims at the destruction of the State as the greatest enemy of a true Socialistic community. It is in this second sense which M. de Laveleye mostly adopts of State Socialism, that the word will be generally used throughout this book, though it will be found convenient to employ it occasionally in the first sense, as well as frequently in a third sense, to be now specially pointed out.

In this third sense, Socialism is that system economic and political, in which the production of wealth is carried on solely by the State, as the collective owner of the land and instruments of production, instead of by private capitalist employers or companies; while the distribution in like manner is made by the State on some assumed principles of justice, which give to each in proportion to his work, instead of being as now determined largely and immediately by contracts, and ultimately by laws of property and inheritance. This, the only true Socialism according to its adherents, is now generally called Collectivism, to denote the collective ownership or ownership by the State, as the representative of all, of the land and instruments of production. It distinguishes itself from Communism, inasmuch as it admits of private property in articles of consumption, and to a certain limited extent, of inequality of shares, accumulations, and inheritance. Only it suppresses private enterprise, it will not allow individuals to use their accumulations to set others to labour for them, with a view to make profit from their labour, nor to lend for the sake of interest, nor to let for the sake of rent or

hire, nor in any way to make private gains from their superfluous goods ; because by these means great inequality might come back, and it is a principal aim of the new Socialism not only to extinguish great inequality, but to prevent for ever its return.

To avoid confusion, it will be well to note the three senses of the word Socialism. And it will be also well to note the relation between the three kinds of Socialism. What is common, the generic feature of all, is the aim at greater equality of social conditions, in the first case to be attained by any means, in the second and third to be attained and maintained by the State. In the first sense, Socialism is as old as the world, old as the rudest form of society, and in fact in primitive simple societies it was very generally realized in considerable measure. In the second sense in which Socialism is taken up by, and made an aim of, the State, it is also very old, though this form now called State Socialism has received a great extension in our century, partly from a widened spirit of philanthropy and the awakening of public conscience, and partly from a spirit of apprehension, but chiefly owing to the increasing political power of the people since the French Revolution, which taught an ever-memorable lesson to ruling classes, and for the first time showed to the modern world the power of the people when joined in a common cause. The interferences of the State were at first for the protection of operatives in factories and workshops ; they have since been extended to mining, shipping, and all kinds of industries, as the influence and voice of the people became more felt in Parlia-

ment, while within a comparatively recent period, or since 1870, there has been legislative interference between landlord and tenant in Ireland, to fix rents in the interests of the tenants, and to narrow the landlords' rights ; in fact to narrow the sphere of so-called Free Contracts, and this kind of protective State Socialism, this interference with, and restriction of, freedom of contracts, is likely to increase, as well as the State Socialism involved in the extension of the States' functions in the sphere of industrial undertakings, the housing of the poor, the provision of free education, etc.

It is partly from the extent of this tendency, that extreme Socialism or Collectivism derives such strength and plausibility as it has. This species of Socialism which implies collective ownership and co-operative labour, it should be noted, is essentially a modern thing, which could not have been conceived before the great industrial revolution of which it was a direct result. Collectivism contemplates the collective ownership of land and capital (chiefly the latter), and production on the great scale, which last was the result, and the essence of the industrial revolution. Before that event there were very few great capitalist employers with whom there could have been a quarrel as to the division of the product. The worker, in general, owned his own small capital, the necessary instruments of his craft, and he was independent of an employer. Socialism relating to the land, or agrarian Socialism, there always was, as well as a sort of general and intermittent quarrel between rich and poor, but there were few great capitalists

outside the commercial class, and comparatively few cases in which the labouring classes could point distinctly to any one but the landlord, or perhaps the small dealer who had given them credit, as having made a profit out of their labour or their necessities. It was otherwise when the artisan portion of them were compelled from want of the necessary capital to sell their labour to the great capitalist employer for so much a day or week, when this sum was in general, as economists affirmed, not much above bare subsistence rate, and when they saw the master, who not long before had been on the same social level as themselves, grow rich in consequence ; for they did not care to distinguish the cases where the riches might have been more due to his business genius and energy than to the exploitation and under-payment of their labour. Here was always matter for dispute, and often real and great grievances on the side of the workers, and from this new situation was born the standing quarrel between Capital and Labour, which fills the whole century, the interferences of the Legislature on the side of Labour, Trades Unionism, which tries to strengthen its hands ; and the new Socialism, which seeks to put an end to the feud by the abolition of the individual capitalistic system, and the replacing of it by the collective ownership of the State.

The new Socialists, the Collectivists, will not honour with the name of Socialist any one who does not accept the whole of their programme. The half-way systems and measures will not do. They say, in fact, that they are even mischievous as tending to prolong the present system of industrial anarchy based on

spoliation and competition. Co-operative production will not do, even if State-aided. It would prolong the reign of competition, and the competitive system must wholly cease.

Collectivism is, they say, the only system that is thorough-going, coherent, and logical, as opposed to the different partial stop-gap systems,—co-operation, legislative interference, etc.,—which would be either wholly futile, or barely temporary palliatives. As opposed to the existing system, it is the only one at once rational and founded on justice. The land and the mineral wealth beneath it, should evidently belong to all. They were Nature's gift to the human race, no more intended to be appropriated by a few than the common sunlight, air, or water. And in like manner as regards the instruments for the production of the means of life. In former times, the land did actually belong to the community, and in a time not remote the instruments of production did belong to the workers. It is not so now. The agricultural labourer on the land has become divorced from ownership: the labourer in the towns no longer possesses the instruments of his craft. He is dependent on the will and the employment of another for his livelihood. The capital which enables the capitalist to employ him, moreover, is itself the result of the spoliation of labourers past and present. These are great evils, for which Collectivism is the only remedy that would be at once just, efficacious, and that would bring finality with it.

Moreover, it is in harmony with existing facts and steadily growing tendencies all pointing to it. The State already occupies, to the general advantage and

satisfaction, a portion of the field of enterprise and industry, within which competition is abolished. Let it occupy the entire field. It already regulates, and it tends ever more and more to regulate, the industries it does not occupy which are carried on in factories, mines, and workshops. Let it put an end to the evil necessity of regulating by substituting its own action for the private enterprise that requires so much regulating to protect the labourers or the public. Let it organize all the necessary labour as it already does a part, and let it apportion their shares to all according to the rules of justice.

II.

SUCH are the two kinds of Socialism that chiefly concerns us, the one begun and extending, the other existing only as aim and ideal. With respect to this second, or Collectivism, which aims at extending and universalizing the first, or State Socialism, as the State may not have the will or desire to go so far, or not to do so at once, or soon, we are led to a further division of Socialists into the Revolutionary Socialists, who aim at altering the existing State by getting the control of it by violence, and thereafter animating it by their own revolutionary spirit in order to effect their purposes; and the Opportunist or Evolutionary Socialists, who think the existing State slowly improved or widened in its functions, or even taking it as it stands with its present disposition and the opportunities offered by the existing diversity of party interests, may serve to bring in Socialism by

instalments. The programme of the Evolutionary Collectivists coincides to some extent with that of the State Socialists, though the latter does not specifically aim at collective ownership, or at any more definite aim than greater justice or greater equality, whether of condition or of opportunity.

The Revolutionary Socialists, not numerous in England, but powerful on the Continent, think it hopeless to expect anything from middle-class Parliaments, composed largely of rich men, or men in sympathy with these, whose interests are opposed to the changes they have in view. They think the struggle between the rich and poor must be endless so long as the rich hold the Government, make the laws, and direct the policy of the State; and for the poor an endless struggle is endless defeat. Events or a crisis must be forced and soon. It is a question which concerns the present generation, when an opportunity arises. Force has been the great hastener of events, the sword the great severer of hopeless knots. Great movements have invariably led to the sword, and great issues have been always settled by it, not by appeals to reason, conscience, or humanity. And the great quarrel between rich and poor, capital and labour, between the dominant classes and the hungry people can be settled in no other way. The antagonism of interests is too great, the evils suffered by the many, and their sense of injustice, daily deepening, is too great, to allow them to wait. It is idle to expect the rich to surrender property or position of their own accord; if the working classes do not conquer them, and do not unite for the purpose,

they will never be better. The rich will hold them in subjection for ever. It is for them who have strength and justice on their side to force the present position; and that requires Revolution.

The other Socialists are more practical. They distrust sudden and violent revolutions, which take one step forward and two backward, by leading to extreme reaction. They think that the State is in all civilized countries becoming more suitable for the attainment of their ends, is becoming more socialistic and more democratic. They think that, by further political reforms, by the introduction into Parliament or Chamber, of men of culture, conscience, and capacity, men of public spirit, or even men expressly sent to advocate the interests of labour, they can get more and more socialistic measures passed. They reckon, too, on the great influence of impartial outside forces on public opinion, and the changed sentiment appearing in literature, in the press, the churches, and even in law as judicially interpreted, and apart from legislation.

In England Socialism, so far as it comes in at all, will probably come in this way. Our system of party government will give it certain opportunities. Each party will take up a portion of the Socialist programme. The Tory landowner will defend the workers in the great towns against the oppression of Capital, while the Liberal employer will take up the cause of the agricultural labourer in the country. The capitalist will see no objection to additional taxation on landed property, and he will assist the tenant farmers in Ireland, Scotland, and Wales, to become owners of

their holdings without too rigidly regarding the landlord's rights ; while the landlords will be willing to lessen the working hours of the labourers, to inquire into and remedy their grievances, and to try experiments on their behalf at the cost of the capitalist, as well as to extend Employers' Liabilities, and make it less easy for the "corsairs of commerce," the bucanneers of industry, the great Monopolist and Company Promoter to prey on the property of the weak and unwary. It is possible, too, that the great outside interests, as the Church, Law, Literature, so far as they are independent, may throw their weight against both landlords and capitalists, as well from a sense of justice as to conciliate the Fourth Estate. It would be rather a change of policy, at least on the part of the two former, but, if not quite from considerations of justice, it may be thought prudent to be on the side of the growing power that may one day be supreme, and thus all things duly considered, the prospects of Socialism, bound up as they are with Democracy, are not other than hopeful in these countries.

In France, where class antagonism is deep, where the people are fiery and warlike, where each generation in Paris since the Revolution has been once at least behind the barricade, the introduction of Socialism may not improbably be attempted once again by the sword ; a course very unlikely to lead to the Socialists' goal, unless, indeed, the new Cæsar which the resulting chaos would probably necessitate, should be imbued with Socialistic sentiments, and should try to realize part of their programme.

In Germany, where, though Socialism is widely

spread, the existing State is strong, and, largely impersonated in the Emperor, reposes on the national affections, Socialism will be slowly introduced by the Emperor and his Chancellor, or by their successors, in accordance with the traditional policy of the Hohenzollern monarchs, since the time of Frederick the Great, to favour and protect the people whose strength and courage are so necessary to the existence of a great military state. There the sovereign is a power above the middle-class and the landlords. He has the will, if not the power, to do justice between the antagonistic interests, and he is friendly to the working-classes. The power of the great middle and monied class in Germany, though considerable and growing, is much less than it is in England or America; less even than it is in France; and accordingly it is probable that the qualified Socialism that the late Emperor and Prince Bismarck have so persistently pursued will be realized eventually by the State itself in spite of middle-class opposition. State Socialism, much farther than would be possible in England, would be suited to a people that already has the species of State Socialism implied in a nation in arms, periodically withdrawn from industry and supported during the time, by the national taxes.

It is more difficult to offer any forecast as to America, the other great country where Socialism has appeared, and, as is proved by the Chicago Anarchists' riots as well as by other signs, is making way. As a fact, many of the labourers are dissatisfied with their condition, and many in the middle class are aggrieved by the corruption of the great corporations,

by the spread of vast monopolies, "Syndicates," an "Trusts," while the comparatively low level of political morality makes legislative reforms difficult. The Capitalist has in America developed into colossal proportions. The richest men the world has seen since the latter time of the Roman Republic are there. Capitalism has most fully flowered, has reached its highest development there, and there is only wanting a hungry people, joined to a greatly dissatisfied one, to have all the elements of an early explosion prepared. When we add that society in America was tolerably homogeneous less than a century ago that even in 1835, when De Tocqueville wrote his "Democracy in America," it presented marked equality of conditions, and that it has now arranged itself into the hierarchically graded form of Western Europe, with a mighty plutocracy at the top of the pyramid, a rich middle class below, and a proletariate at the bottom, there are not wanting causes of apprehension. Happily, the wage-earners are as yet well paid, though prices are dear, and the lowest social stratum is not as yet large.

But Socialism and Socialistic theories are spreading, and unless there is legislation in behalf of labour there may come convulsions in America as soon as or sooner than in any other country: because the American people, like the French, are warlike and spirited, as they have shown by the two tremendous wars within a century, the first for Liberty, the second for the Union. That the majority would be ready to fight for Justice if they thought themselves treated

unjustly, there cannot be a doubt. Then the generality are very intelligent, education is diffused, and every one reads at least the newspaper. Moreover it is a country of fast Evolution. The slow steps of social evolution in the Old Continent are quickened. Parts of the process are abridged. Events come to a head sooner. On all of which grounds I should look for the Social Question to be brought to an earlier issue there than elsewhere.

It need not necessarily be a violent issue, as the people are fertile in social resources, ingenious and unwearied in making social experiments, Communistic, Mormonistic, Co-operative. Moreover, American economists and social thinkers have taken up the question betimes, and there is no branch of philosophy in which they have shown more ability and originality than in social speculation. They are now doing their part which will be an important one in mediating between capital and labour, and by criticizing both Socialism and Political Economy they may produce light that may enable their country to go on in the path of social progress without social convulsions.

III.

It remains to mention a peculiar kind of Socialists, if such they can be called, who are not known at all in England, but who are determined and formidable in France, and who exist all over the Continent as well as in America. These men are revolutionaries, and something more. They will march willingly with the violent revolutionary party to the destruction of

existing States and existing Governments; but they will be no party to the raising again of any Government, or of anything in the shape of the State, because they are convinced of the incurable viciousness of all Governments, existing or possible, and of the State in all its forms, autocratic, oligarchic, democratic. The State and all its institutions and laws are evils: Better it had never existed. It has always been worked in the interests of the few to the hurt of the many. It has always by its laws repressed liberty, by its institutions handed over the poor to be dominated by the rich. The effect has always been the same for the greater number, whatever the form of the State. Let them all be destroyed and all go down together, and let them never again be restored. There must be no Central Government: even no local Government, no public authority whatever—not even the policeman. Let all authority and law be destroyed; let us return to Rousseau's State of Nature before civil society and Governments existed. No aggregation of men greater than the "Amorphous Commune" is wanted, and no laws in it. Equality in the commune, full liberty and no authority, is the ideal. Work, presumably, is to be done, and cheerfully; for the co-operative society in field and factory is shadowed forth as the pleasing picture when all Governments are subverted. One thing they deem certain: if we once get back to the State of Nature, if we could begin again, human society would never travel in the same fatal lines as it has done; it would neither have property nor the legal family, and if all authority were prevented, the State could never again come into being to re-create them; there would then

be no more national wars; no more exploitation of labour; no more tyrannies; real liberty, equality, fraternity would for the first time, be possible, and peace would be over the world. Such is the final prospect; but to get to it, war, they allow, will be necessary, for Governments must be first subverted, and to effect this force will be necessary.

These last are the Anarchists, and, according to the definition before adopted, should not be regarded as Socialists, because, far from desiring the aid of the State to bring in their schemes, their one attitude to the State is that of ceaseless hostility, and their one hope is to overthrow it. Nevertheless, so far as they aim in the end at social equality, as they do, they may be regarded as a species of Socialists—"the extreme left" of the Socialists' camp. It is a question of terminology whether we are to regard them as Socialists or not. If State intervention is the essence of Socialism, then Anarchists are not Socialists, but if the aim at equality is the essential thing, then Anarchists are Socialists, and extreme ones. Growing usage favours the former sense. But it should not be forgotten that it is a question of words, nor that the Anarchists' final aim would be described as socialistic. Moreover, when the work of destruction is done, this final idea somewhat resembles that of Fourier, who is usually classed amongst the Socialists, in fact, sharing, with St. Simon, the honour of being one of the founders of Socialism. Fourier likewise proposed to dispense with the aid of the State in trying his experiments. He also regarded the commune as the true ultimate political whole; only he differs from the Anarchist in not believing the subversion of the

State the necessary first preliminary to trying his scheme.

Such, then, are the chief forms of modern Socialism. But we shall never understand Socialism fully, nor know either its strength or weakness, without some knowledge of its past history. Without knowing its past, we shall not understand its present forms : nor the absolute necessity of its presence. As Sociologists like Comte and Herbert Spencer, in agreement with the modern Historical School, inform us, we cannot understand the present irrespective of the past ; without a knowledge of causes which lie in the past, there can be no right interpretation of the existing effects ; nor, it may be added, without this knowledge can we make any safe prediction as to the future, whether of Society or of Socialism, because such prediction can only consist in the calculation of the probable effect of existing tendencies and forces as gathered from a study of the past and present. Happily, some general power of prediction, without foreseeing the details, we may have from the knowledge of the past and present, rightly interpreted. We can gather the large and growing tendencies and forces, industrial, social, moral and political, and from these forces, together with existing general facts (statical laws) we may hazard some broad predictions that will probably be realized in future. Especially may we make such rough forecast as to what may be in the more specific economic sphere, in which the tendencies are more pronounced and clear, as well as in general more durable and massive, and less subject to modification from human volitions, or the existence of counter tendencies, than those in the spheres of morals or politics.

CHAPTER II.

SOCIALISM BEFORE THE NINETEENTH CENTURY.

I.

SOCIALISM in its essence is not a new thing. The word is new; the Socialists' argument that all wealth is due to the labour of the working classes is new; and the principal forms which the socialistic spirit now assumes, owing to the changed conditions of modern industry and the production of wealth, are new; but the general thing, the substantial thing, is old, and its general aims are old, and always the same—a more even distribution of wealth, of money or money's worth, as the main material means of happiness. It is even a necessary thing, deducible from the principles of human nature although not at all times in active operation. Although in a given society the spirit may be sluggish or slumbering, though it may be cowed or conquered for a time, it always exists awaiting favouring conditions to manifest itself again.[1] Socialism, in the form of a struggle

[1] Roscher specifies the general conditions under which communistic and socialistic ideas appear as follows: (1) a well-defined confrontation of rich and poor without a strong intervening middle class; (2) a high degree of the division of labour (3) revolutions which perplex opinion as to right, and in which

of the lower classes to raise their condition, is as old as History, in which it forms some of the most important, though hitherto neglected, chapters. Socialism, in the sense of a struggle for greater equality, is as old as civil society, old as the separation of men into classes, old as the distinction of rich and poor. Further, the spirit of Socialism, in the shape of a set of principles aiming at the establishment and perpetuation of reasonable equality, presided at the foundation of more than one famous historical state. Moses (or whoever wrote or compiled the books of Leviticus and Deuteronomy) was so far a Socialist that we can clearly see his endeavour, by judicious institutions, to prevent great inequality amongst the Jews, while Private Property and Inheritance are nevertheless sanctioned. We find in Leviticus a system of land-holding intended to secure reasonable equality, and a very remarkable institution, the Jubilee, designed to prevent the Jewish people from being permanently divorced from the land. We have unusual clemency shown to the honest debtor by which the purpose of a good Bankruptcy Law was effected; and a special provision for the poor, if any such should appear under a general socialistic polity expressly designed to prevent extreme poverty. The usurer as an evil possibility is foreseen by Moses, and is warned from exercising his function, or practising his methods, at the cost of his brethren in their necessi-

the multitude have learned their power; (4) a Democratic constitution of the State; (5) a general decay of religion and morals and the spread of an atheistic and materialistic spirit. ("Political Economy," vol. i.)

ties. We find equality aimed at, and fraternity everywhere inculcated as the surest moral guarantee of equality. But all this is of the essence of Socialism. Moreover, it is State Socialism, or Socialism embodied in fundamental institutions, and under the consecration and guardianship of Law; and it had the further consecration of Religion, which was in the beginning inseparably connected with Law. It is Socialism; only it differs from modern Socialism in the important particular that it was Socialism established, and for a long time successfully worked in practice, whereas modern Socialism exists as yet mainly in aim and endeavour. It was Socialism embodied in institutions, customs, and laws, whereas ours is a spirit that seeks incarnation. It was in a word accomplished and successful Socialism, whilst ours is still in the militant state; and has still to demonstrate its practicability and advantages.

In time the Jewish Socialism failed. Individualism and gross inequality of condition came; but the Law of Moses acted as a drag to make the process of change to individualism slow, and the Jewish Prophets appeared who denounced the mighty and the despoiler and oppressor of his brethren. The prophets were Socialists: Isaiah the greatest of Socialists. Whoever doubts the essential similarity of social phenomena at different times and in different societies, provided they have reached similar stages of social evolution, or whoever thinks that the recurrence of similar social effects from similar social causes does not take place, should read Isaiah's denunciations of those who "grind the faces of the

poor ;" of those "who join house to house and add field to field, that there be no place left in the land ;" of those who, not unlike some modern class legislators, "decree unrighteous decrees to turn aside the needy from justice, and to take away the right from the poor of my people ;" of those who oppressed the widow and the orphan, that worst of crimes in the eyes of Jewish sentiment. So similar, in fact, is the list of social and moral evils, so common the causes, that the words of Isaiah are still the best description of our own evils and of our social situation. What was his remedy ? Remarkable, and not without significance for us : for the present, it was moral regeneration with the alternative of national destruction ; for the future, it was the coming of a king who should rule in righteousness and execute judgment and justice. Always with the Hebrew prophet, it was the great and good King, the Messiah, who was at once to deliver them from their enemies abroad, and to reintroduce justice at home. He should be mighty to do the double work ; to break in pieces the enemy, and to curb and check entrenched and coalesced class selfishness ; he should be wise,—"filled with the spirit of understanding and knowledge ;" for want of insight would be fatal and would make all things worse ; he should be filled with the spirit of justice. He should be the strong conqueror, the just legislator, the wise ruler ; to combine the requisite conditions, he should be almost supra-mortal ; and in fact the Messiah, the great deliverer from the foreign enemy, the social redeemer and restorer of justice, while human, was yet conceived by Isaiah to be, if not something more

than human, yet One expressly sent from heaven for the work.

Similar is the burden in Jeremiah and Ezekiel; similar, but sterner, the denunciation of existing society as things grew ever worse; and similar the vision of the One who was to bring the promised deliverance.

If we come to the New Testament, the Socialism in the Gospels—sometimes going even to the extreme of Communism—is manifest. Christ was Himself the Messiah of Isaiah's prophecies, only that His mission is conceived somewhat differently from Isaiah's prophecies, to which frequent reference is made. He did not come as a conqueror or deliverer from the Romans. He had come "to preach the Gospel to the poor," and to "proclaim deliverance to the captives." The rich are repeatedly and terribly denounced. The poor are blessed. Communism is advocated and practised. The voluntary surrender of property for the benefit of the poor is recommended to the rich young man. It was the one thing wanting. The precept is laid down to his hearers: "Give to him that asketh," "and lend, expecting nothing in return." Moreover, morality and true religion are made on the most solemn occasion, and in the most serious utterances in all the Gospels, to turn not on speculative beliefs, but on whether we have fed the hungry, clothed the naked, visited the prisoners; in general, on whether we have aided and succoured the poor and the suffering portions of humanity, in suffering chiefly because they are poor. In short, there can be no mistake about it—in spite of certain

passages pointing in a different direction—the Gospels are pervaded with the spirit of Socialism and Communism (which is merely the extreme of Socialism), as the predominant spirit; and the "Kingdom of Heaven," in one of its meanings, was a Society on this Earth in which there were to be altered social as well as moral conditions, and in which the poor were to be exalted and the rich brought down. The ideal of the Christian Society was equality of social conditions, or, if any inequality, it was to be an inversion of the existing one, requiring from the greatest the greatest sum of services and sacrifices: no private property; no competition save to do the greatest good, with mutual love making all possible and warming and vitalizing the whole community. We have not the modern formula of distribution—"To each according to his services," but a far higher rule. The greatest is to render the greatest service to others, expecting nothing special in return, and yet therein is to find his happiness according to the seeming paradox that whoso foregoes material things shall gain a hundredfold here and yet more hereafter.

The ideal has hitherto been found impossible; but let not any say that it does not exist in the Gospels; that Christ did not contemplate an earthly society; and that, therefore, the words which seem to have a socialistic significance do not concern Christians of to-day. The words pointing one way are too numerous to be thus explained away; they did refer to a Society conceived as possible on our earth; to a Society believed to be ideally the best, and conformed to the necessary conditions of a happy society; to a

society, moreover, capable of being realized. Undoubtedly, then, there is Socialism in the Gospels, only it is not quite State Socialism, because the better Society was to be brought about by the voluntary union of believers.

II.

THE Communistic idea was long kept alive by the Church, being inculcated on the rich in the form of almsgiving, and fully embodied in one of her most remarkable institutions—the Religious Houses with life and goods in common, and the surplus goods to the poor. We find, too, the early Fathers of the Church, St. Jerome, St. Basil, and others, denouncing riches as robbery as fervently as Proudhon, and almost in the same words. Merely substituting "riches" for "property," they say "riches is robbery." And all throughout the ages of the Church's grandeur and power we find her saints speaking Communism, the Church not condemning; although she herself, in her collective capacity, partly from respect for the established order of things, partly because she profited by the institution of property, leaned to the side of the rich and the powerful in the great social quarrel which went on intermittently. In truly Catholic and comprehensive spirit she combined Communism with private property in herself; in equally Catholic spirit, though not quite in the spirit of the Founder of the Church, she gave her benediction to the rich as well as the poor; taking care, however, to make the former pay, in return for the ease and grace done

to their souls, some equivalent, a part of which she held for the poor.

In the dark ages, in the long struggle of the strong amongst races and individuals, the Christian ideal was wholly inapplicable outside the monastery, but as part compensation the poor and the helpless were cared for by the Church, that is those of them (comparatively few) who were neither serfs to any lord, nor had any means of livelihood. When Feudalism was fully established, society assumed a hierarchical gradation of classes, the strong man at the top as lord, the weak and conquered beneath as serfs. The serf laboured so many days for the lord, so many for himself. The mendicant or pauper class, the lacklands and lackalls, were not comparatively numerous. In the towns the craftsmen were associated in guilds which protected the interests of their members. Society was stable; men were in fixed relations to other men, and though there was higher and lower, strong and weak, there was little dissatisfaction; the morrow was sure to all, even to the destitute few.

During the decline of Feudalism and after it, we find a different state of things. Society again became fluid and disorganized. We find risings of the people in England, France, and Germany, the three leading nations; risings of the "Commonalty" in England, Peasant Wars in Germany, Jacquerie in France, from the same common cause in each case. And we find the Communistic phrases in the mouths of the leaders. For two hundred years in England, from the rising of Wat Tyler in 1381 to Ket's rebellion in the Eastern

Counties, society was unstable and liable to these social commotions ; in England all throughout the century of the Tudor Sovereigns, when the monarchs were strong and the people sturdy and warlike, we find repeated insurrections of the people to maintain their rights to the land ; risings against the clearances and the practice of enclosures by the great landowners, who thought they should be able to do as they chose with their own in the former case, and who, in the latter, were not over-scrupulous as to what was their own. The rising against the practice of clearances, of turning arable into pasture land, and driving away the cultivators has been described as an insurrection against economic causes and laws. In reality it was a rising against an attempt to deprive the tillers of the soil of the means of life, and against the attempt of the landlords to exercise absolute rights of property in the land which they never really possessed, and could not be permitted to exercise at the cost of the existence of the people. The strong Tudor sovereigns, Henry VII. and Henry VIII., saw this clearly, and attempted by statutes to check the practice, though with only partial success. One permanent social result followed from these practices together with the confiscation of the property of the religious communities, namely, a great increase in the destitute poor, so great that at last a permanent provision had to be made for them ; and a new Communistic institution in the shape of Poor Laws was devised in place of the old Communistic institutions dissolved.

The great increase of the poor and their hardships roused the pity and sympathy of Sir Thomas More,

who in his "Utopia" goes back to the Communism of the Gospels and in some respects of Plato's Republic as the only radical cure. No punishment, however severe, he contends, is able to restrain those from robbing who can find no other means of livelihood, which must be the plight of many under an economic system which drives men from the land, and does not provide employment for them. Apparently Sir Thomas had not come to the Elizabethan alternative of levying a portion for the unemployed poor from the resources of the rest of the community. In a remarkable passage near the close of his book we find the eternal argument of the Communists given in the clearest and most striking words, and the argument of the modern Socialists anticipated. Excepting only with the Utopians, he says, "May I perish if I see anything that looks either like justice or equity, for what justice is there in this, that a nobleman, a goldsmith, a banker, or any other man that either does nothing at all, or at least is employed at things that are of no use to the public, should live in great luxury and splendour upon what is so ill acquired; and a mean man, a carter, a smith, or a ploughman, that works harder even than the beasts themselves, and is employed in labours so necessary that no commonwealth could hold out a year without them, can only earn so poor a livelihood, and must lead so miserable a life, that the condition of the beasts is much better than theirs. For as the beasts do not work so constantly, so they feed almost as well, and with more pleasure; and have no anxiety about what is to come, whilst these

men are depressed by a barren and fruitless employment, and tormented with the apprehension of want in their old age. The Government does ill to be so prodigal of its favours to the high-placed and idle, and those who minister to the satisfaction of the rich, and on the other hand to take no care of the meaner sort, such as ploughmen, colliers, smiths, without whom it could not subsist." And when the public has used up their bodies and their services it leaves them "to die in great misery." Not only so: "The richer sort are often endeavouring to bring the hire of the labourers lower, not only by fraudulent practices, but by the laws which they procure to be made to that effect; so that, though it is a thing most unjust in itself to give such small rewards to those who deserve so well of the public, yet they have given these hardships the name and colour of justice, by procuring laws to be made for regulating them."

Here is the argument of the Socialists anticipated three hundred years ago; the following breathes the very spirit of Rousseau and the modern Revolutionists: "Therefore, I must say that, as I hope for mercy, I can have no notion of all the other governments that I see or know than that they are a conspiracy of the rich, who, on pretence of managing the public, only pursue their private ends, and devise all the ways and arts they can find out; first that they may, without danger, preserve all that they have so ill acquired, and then that they may engage the poor to toil and labour for them at as low rates as possible, and oppress them as much as they please. And if they can but prevail to get these contrivances established by the show of

public authority, which is considered as the representative of the whole people, then they are accounted laws."

The book made no impression at the time, because first it was written in Latin for the learned. Again, when it was rendered into vigorous English, near the end of the sixteenth century, it was still confined to the few, and by them regarded as an ingenious exercise of the fancy, not seriously to be taken, and impossible of realization out of Utopia or the land of Nowhere whose customs it describes.

The work nevertheless presents a remarkable example of suspended vitality which, three centuries after its first conception, has produced effects ; for the book is now read, and existing Socialists draw both arguments and practical hints from it. It is, in fact, the first true work on Social Philosophy in the English language, with the true marks of genius upon it, originality and the perception of permanent truth, moral and social, and all the more remarkable as coming from an English Lord Chancellor.

Other philosophers besides More exercised their minds in devising Ideal Commonwealths, or in bodying forth "Visions of the Perfect State ;" in fact, for a century and more, the construction of political Utopias was a favourite species of literary effort, and the first form of political speculation, cast in the fanciful form probably in part out of deference to the established order of things, and for fear of giving offence to the powers that be, partly because the materials for scientific treatment were not accessible, nor the philosophic habit and faculty of generalizing

common until later. Campanella, Fénélon, Harrington, Bacon, and others produced works of this species; and in most of them private property is found the social stumbling-block and the cause of social ills, and communism of some sort the only cure.

III.

It was not difficult to devise Ideal Commonwealths, the example once set; but as it was found in time to be profitless, the practice became discredited, the writer was called a political projector, and Utopias ceased to be produced. It was more to the purpose to discover, if possible, how actual commonwealths and societies came into being, and their continued *raison d'être*, and this was the problem to which philosophers next addressed themselves, a really philosophical and most important problem, but, for the solution of which unfortunately, as Sir Henry Maine remarks, the historical knowledge of the seventeenth and eighteenth century was quite insufficient, so that the philosophers were obliged to supplement their imperfect knowledge by ingenious guesses and to substitute hypothesis for history, drawing therefrom the most plausible deductions they could.

For a century and a half the human mind sat down obstinately in front of the problem of the origin of Civil Society and Government. Hobbes, Locke, Filmer, Rousseau, all inquire into it, and the first two, as well as Rousseau, base the origin upon an original covenant or social contract. All three discuss likewise the best form of political Constitution,

which Hobbes finds to be an Absolute Monarchy, Locke a Constitutional Monarchy, and Rousseau a Democracy.

The first of these writers, Hobbes, very far from being what he has been called, "one of England's false prophets," was one of the most clear-seeing, original, and independent thinkers on morals and politics that ever lived. His great work, "Leviathan," was epoch-making in both. Though weak in history, like all in his age, he was the first to perceive that the conduct of associated men must be governed by the nature—the appetites, desires, and affections—of individual men; that a sound psychology, therefore, is the one base of morals and politics; and accordingly he begins his famous book with an account of individual human nature, its passions, desires, and sentiments, in general with the principles that move man to action. He is in error, indeed, in supposing that man at all times is the same; that rude primitive men had as many or the same principles of action as civilized men. He did not allow for the fact of evolution; that the soul of the civilized man is as much expanded beyond that of the primitive man as that of the grown man is beyond that of the child; consequently his account of the motives that first urged men into society, and regulated their early intercourse, requires qualification even on the score of psychology were there no historical objections to it. Nevertheless there remains a certain truth in his theory and his reasonings.

What led men at all into civil society, according to Hobbes, was their terror of anarchy and its ex-

perienced evils in the State of Nature, their original state ;—in which state, while there is ceaseless strife, there are no arts, no learning, no inventions, no commerce, and the life of man is "solitary, poor, nasty, brutish, and short." Men weary of this state of misery are urged to get out of it by their fears, and, being rational, "reason suggesteth convenient articles of peace," which in brief were, that they should all forego mutual aggressions, and hand over their powers to a single person, "one man or one body," who should maintain peace and justice, and defend them against outside enemies. This one is Sovereign: his voice is Law—"the speech of him that of right commands." Property is the creature of law ; there is no other origin for it. But the sovereign one should be guided by the law or laws of nature in issuing his laws. In the State of Nature every one had a right to everything that he had the power to get, but only so long as he was able to hold it. Hobbes believes that an absolute monarchy, the monarch governing according to the law of nature or natural morality, is the best form of government for the whole people, and especially for the masses. If the monarch is wise and good, so much the better ; if not, still he should be obeyed, because the remedy, revolution, involving civil war and anarchy, would be worse than the evil. Better to bear the ills we have than fly to worse—to anarchy and its horrors, to get out of which was the original cause of the social contract and the transfer of power to the sovereign one.

Locke likewise bases Civil Society on a social contract. But with Locke there is a contract on both

sides, on the governed that they will obey provided the sovereign will govern according to certain fundamental principles. The obedience is not to be unlimited or passive; in other words, the sovereign's power should not be absolute. Locke founds the rights of property on labour, not on law. That thing is "mine" if, having got the raw material of it from the bounty of nature, I have "mixed my labour with it," and this, whether the original material be land in the primitive state of uncultivation, or any of its spontaneous products. If there is plenty of other land, I do no one harm by appropriating a part; but I must not take more than I can make use of, and my title to any part is only fully confirmed by its reclamation and cultivation. It is labour which gives the natural title to property: moreover, Locke adds, it is labour which is the cause of nearly all the values of things, whether value in use or value in exchange, an important conclusion, in which he anticipates in great measure Ricardo's theory, that exchange value depends on the quantity of labour necessary to produce commodities and place them in the market; a conclusion, too, that Karl Marx and the modern Socialists have seized upon and made the foundation of their argument and indictment against modern society.

One common conclusion of the two English philosophers was important from the consequences afterwards drawn from it by Rousseau. According to both, men in a State of Nature were "free and equal," a proposition that Locke limits and carefully qualifies; but which Hobbes holds in extreme form.

He maintains that not only were men originally equal, but that they are so still in the main : " for when all is reckoned together, the difference between man and man is not so considerable as that one man should therefore claim to himself any benefit to which another may not pretend as well as he. As to strength of body, the weakest has strength enough to kill the strongest by secret machination or confederacy with others " ; and " as to the faculties of the mind," he adds, " I find yet a greater equality amongst men than that of strength. Leaving out of count the arts founded upon words, and especially that skill of proceeding upon general rules, because these are not native faculties," men are on a tolerable equality. That they do not generally think so is due to a vain conceit of their own wisdom ; others they readily allow may be more witty, eloquent, or learned, but not more wise ; " for they see their own wit at hand, others at a distance." But the best practical proof of equality is that each one is satisfied with himself, and would not exchange with another ; " as there is not ordinarily a greater sign of the equal distribution of anything than that every man is contented with his own share."

The writings of both philosophers had much influence on the course of English politics, the friends of absolutism drawing their arguments from Hobbes, the Whigs from Locke : though neither had much effect on the material fortunes of the English people. The cause of absolute monarchy was fought and lost in England in the seventeenth century : the theory of Locke and limited sovereignty won. It

can scarcely be said that the English people gained by the final result; for when the prolonged struggle which filled the whole century of the Stuart sovereigns was finished, the power that really gained was the English landowners, who ruled the country, whether under the name of Whig or Tory, until the middle class paved their way to power by the Reform Bill in 1832. The limitation of the kingly power had for inevitable effect the transfer of sovereignty to the next most powerful interest, which, at the time, before the rise of the rich middle class, was that of the nobility and the country gentry. It is true that at first only the Whig section or faction of them had place and power, and afterwards the Tories, but the class legislation of either so far favoured both and strengthened their social position. The power of the people declined. The yeomen disappeared by degrees. They fought against Charles I., in many cases because the neighbouring great lord had taken the king's side. They favoured the Revolution; they gained nothing either by the defeat of Charles or by the Revolution. Perhaps they took the wrong side for their own interest. Perhaps a strong and just monarch could have checked the operation of certain adverse causes, lumped under the general head of economic causes, but which were then, as the like are now, really due quite as much to the unchecked selfishness of the powerful and the greedy as to the alleged economic causes—that the yeomen were thriftless, employed bad methods of culture, or had not sufficient capital, and were forced at last, in their necessity, to sell to the agent of the

great lord and migrate to the towns. As a fact their numbers steadily and rapidly declined from the Revolution all through the eighteenth century. The new farming class, with considerable capital, took their place in the rural social economy, and for a long time prospered; while the class of agricultural labourers for scanty but customary wages, who had no land—unless perhaps their share in the steadily decreasing village common—was constantly increasing in relative numbers throughout the century.

IV.

A NEW stage in the history of Communism and Socialism and a new era in the history of human society begins with the works of Rousseau, the first of which was published in 1750, a hundred years after Hobbes' "Leviathan," and some sixty after Locke's treatise on "Civil Government."

Rousseau belongs to the same general class of political thinkers as Hobbes and Locke. Like them, he believes that men lived in a State of Nature before they entered into Civil Society; that they emerged from this state by a social compact; that in this pre-social state they were free and equal; that though there was physical or natural inequality, there was no political inequality, or inequality of condition coming merely from convention. He differs from Hobbes in believing that men were peaceful and happy in the State of Nature, and he differs from both Hobbes and Locke in the conclusions he reaches, in particular as to the best and the right form of government or

political constitution, which with him is a democracy, and not, as with Hobbes, an absolute monarchy, or as with Locke, a limited one. The rightful sovereign is the people, the collective body of citizens; and the people, though everywhere dethroned, despoiled, and cast into slavery, has an inalienable right to retake when it may its rightful inheritance, of which it had been stripped by the strong and crafty, who now plead law and prescription in favour of their usurpations.

In his "Discours sur l'Origine de l'Inégalité" (1754) we have the story of the fall of man socially; in his other works, the "Contrat Social" in particular, the way by which the former happy state may be best regained.

According to Rousseau, man lived for uncounted ages in the State of Nature before he attained to Civil Society. He distinguishes several stages, each of which was prolonged. At first he lived solitary, like the lower animals, and not much superior to them save in possessing two arms, superfluous for locomotion, but useful in many ways, while the brutes had to go on all fours. He lived on the fruits and other spontaneous products of nature; slept under a tree or in a cavern; was without clothing, without a house, without language or ideas, without a companion; but strong, robust, and healthy; and, as far as so low a being had faculties of enjoyment, was happy and contented. After a time difficulties roused his dormant genius. With sharp stones and with the branches of trees he combated the ferocious animals or his fellows, or he

secured fruit before inaccessible. As numbers increased he had to acquire new arts. He invented a hook and line, ensnared fish, and became ichthyophagous. He invented rude bows and arrows, and became a hunter. He discovered fire, and lived more easily through the rigours of winter. In cold regions he clothed himself with skins of beasts he had slain.

As yet man lived solitary; by degrees he learned the advantage of a certain association with others of his kind, which, however, only endured "so long as the passing need which had occasioned it." Here he acquired the first rude idea of a mutual engagement, of an inchoate contract in fact, and the advantages to all of fulfilling his part. Here, too, he acquired the art or developed the dormant faculty of speech, which at first consisted only of inarticulate or imitative cries and gestures. With the hardest and sharpest stones fashioned into axes, he cut wood, hollowed the ground, and, with the help of clay and mud, made the branches of trees into rude huts—an important epoch, because the first rude huts, according to Rousseau, were the first rude form of private property and first permitted a true family life. In fact, private property and the family, now threatened by advanced Communists, are natural, are older than Civil Society, and not mere creatures of Law and the State. Husband and wife, father and infant, are united in one natural society, in one home, from which follow the two "sweetest sentiments known to men, conjugal and paternal love." And now the functions of the sexes begin to differentiate; the woman becomes more sedentary, and remains to look after the home and the

infants, while the man goes abroad to search for the common subsistence.

In such a simple and solitary life, with few wants and improved instruments for their supply, the men would enjoy much leisure, which they employed partly in procuring commodities better dispensed with because such, at first unnecessary, in time gave rise to real wants, the supply of which was a less gratification than the privation was a pain.

Such is the fancy picture of man in the first two stages of his career. It is objected that the picture is too idyllic, and does not agree with what we know of savages in the state most nearly corresponding to that described. Further, it is not confirmed by historical research into the earliest times, which has never discovered the solitary individual man, but only groups, generally groups of kindred. Nor has Darwinism or pre-historic research given confirmation of the view, except in so far as the remains of the cave-man, with the stone hatchets found near him, may be so regarded. What follows is less disputable, though not all confirmed. There is, in fact, a mixture of doubtful hypothesis, ingenious reasoning, and general truth.

By degrees, he tells us, men, hitherto nomad, settled down in fixed places, united themselves into groups (he does not say groups of kindred, which was the true state of the case); finally, in each country they formed an individual nation, whose units were like in manners and character, not by rules or laws, but by similarity of life and food and the common influence of climate. They lived in aggregations of cabins, and in village societies; and here new

qualities of soul and spirit were born, new sentiments were evoked. First was born love between the sexes, as distinct from what he before called conjugal affection. With love came into the world the dark twin-born passion of jealousy. All the troop of virtues and vices that have reference to society, all, save only those relating to property, came into being. Inequality of conditions now first appears, because natural differences first manifest themselves—differences in beauty, eloquence, skill, strength, courage, and whoso has most of these gains most regard, secures in virtue of the superior excellence a larger share, not of material things, but of what is more valued—praise, esteem, and consideration, so early and necessarily does inequality of natural gift bring its natural complement of unequal reward.

These unequal natural gifts and unequal benefits as the result of them, gave birth to bad qualities, vanity and contempt on the one side, and on the other envy and shame, as they were likewise the sources of pains, heart-burnings, and humiliations, to be set over against the pleasures of praise and esteem.

But on the whole this was the stage at which our species should have arrested itself. It was the happiest state, just as there is a happiest period in the life of the individual, at which he would, if he could, remain always, and arrest the flight of time. This is the state at which the savages have stopped. It was the least subject to revolutions; the best for the individual man, who in it was independent, free, equal, or nearly so, to his fellows, ready for any fortune, with no care for the morrow, such as troubles so many of us,

and who, in the constant exercise of all his faculties in many directions, derived a pleasure as well as a sense of dignity and self-sufficingness unknown to the wearied drudges of monotonous labour under modern civilization.

So long as men were contented to remain in this state . . . "whilst they attempted no work that one alone could not execute, nor tried arts requiring the co-operation of many hands (division of labour), they lived free, healthy, good, and happy lives, as far as their nature allowed them to do so, and they continued to enjoy amongst each other all the sweetness of independent social intercourse; but as soon as it was perceived that it was profitable for one to have provisions for two, equality disappeared, property crept in, labour became necessary, and the vast primal forests were transformed into smiling plains which it was necessary to water with the sweat of men, and in which slavery and misery were soon seen to bud and grow with the harvests."[2]

It was to the arts of metallurgy and agriculture that the change was due, because they led to a greater cultivation of the ground, to division of labour, and finally to private property, and all the disastrous ills that followed its institution. It was not gold and silver, as the poets feign, but iron and corn, "which have civilized men and destroyed the human race." From the cultivation of land follows necessarily its division and appropriation. "It is the labour of cultivation alone which, by giving a right to the cul-

[2] "Discours sur l'Inégalité."

tivator over the produce of the earth on which he has laboured, gives by consequence the right over the land itself, at least until the following harvest, and so from year to year, and this, being a continued possession, easily passes into property."

But property once established, inequality of wealth soon follows ; for now the natural differences of men have their opportunity. The strongest will do more work, the most skilful will draw a greater advantage from his efforts, the most ingenious will devise means of lessening his labour or will get a larger result from it. The reward of the agriculturist and of the maker of ploughs will not necessarily be equal, as it will depend on the strength of the demand of each for the other's product ; the one may earn much while the other with difficulty will be able to live. Besides different qualities in men, different circumstances will affect men's fortunes unequally.

A wholly new and a worse world opens with the installation of private property ; human nature expands itself in many directions ; above all in evil directions. There follows a dark picture of human nature in the new order, and a black list of all the evil passions engendered : man is compelled fatally, under the system, by his circumstances and his wants to do evil, to be in fact a scoundrel. No pessimist, or cynic, or Calvinist has ever drawn a darker portrait of man than Rousseau's representation of him under the new regime. He can no longer dispense with his fellows : " rich, he has need of their services ; poor, he has need of their succour ; and the middle condition does not enable him to do without them. He

must then seek ceaselessly to interest others in his fortune, and to make them find it, in fact or in appearance, their profit to labour for his advantage; which makes him become artful and overreaching with one, hard and domineering with another, and compels him to impose upon all whom he cannot make to fear him, while he finds it not his interest to benefit them Finally, devouring ambition, the passion to raise his relative fortune, less from any real need than to exalt himself above others, inspires in all men a dark desire to injure each other, and a secret jealousy so much the more dangerous that, in order to effect its stroke in surety, it often assumes the mask of benevolence; in a word, competition and rivalry on one side, and on the other opposition of interests, with always the hidden desire to make profit at the cost of others; all these evils are the first effect of property and the inseparable cortege of the growing inequality."

Such was the state to which primitive and innocent man had come, and private property was the cause of it. The course of things went on: when the land was all occupied, and the different possessions closed together and touched each other, there were some men landless and with no handicrafts; such were compelled, according as they were spiritless or bold, either to receive or take by force their subsistence from the rich; in the former case as they did not receive without equivalent we had slaves, in the latter thieves or robbers. The rich, "like the famished wolf that, having once tasted

human flesh, disdains all other food," grew enamoured of domination as the greatest of pleasures, and used their slaves to subjugate more. "The lost equality was followed by frightful disorder: the usurpations of the rich, the brigandage of the poor, the unbridled passions of all, extinguishing natural pity and the voice as yet feeble of justice, made men avaricious, greedy, ambitious, and wicked. The right of the strong set aside the right of the 'first occupant' after murderous conflicts. The nascent Society was in the most horrible state of war. The human race degraded and miserable, no longer able to retrace its steps or renounce the evil acquisitions it had made, and labouring only to its shame by the abuse of the faculties that should have done it honour was upon the eve of its ruin."

In fact, the human race had at length slowly reached the condition that Hobbes declared to be the necessary and universal condition of man in a state of nature, namely the "war of all with all." It was a state of things only favourable to the bold lacklands and lackalls, but very unfavourable to the rich, who, while they had to bear the total expenses of the general war as the only possessors of superfluous goods, were yet equally subject to danger with their assailants. "Moreover, on reflecting, they felt they could give no colour to their usurpations which rested on a precarious and abusive tenure, and that depending, as they really did, on force, a stronger force might take away what force had given without their having much cause of complaint. Even those enriched by industry could not plead much better

titles to their property. To the plea, 'I have built this wall,' 'I have reclaimed this land,' would be the response—'And who gave you the boundary lines, and on what pretence are you to be paid at our expense for a labour we did not impose on you? Do you know that a multitude of your brothers perish or suffer from want of those things of which you have a superfluity, and that it would require the consent express and unanimous of the human race for you to appropriate from the common subsistence anything in excess of your own?"

In the great strait in which they were placed, having neither good reasons nor yet sufficient force on their side, the rich summoned craft and cunning to their aid. They conceived a great idea—"a project the most astute that ever entered the human spirit—by which to convert their adversaries into their defenders, to inspire them with wholly new maxims, and to introduce institutions which would be as favourable to them as Natural Law and the law of the strong were the contrary." The rude and unreflecting multitude were easily seduced by their plausible reasons to carry out their aims. "Let us unite," said the crafty rich, "to guarantee the feeble from oppression, to check the ambitious, and to assure to each one the possession of what he has. Let us institute laws of justice and of peace to which all will be compelled to conform, which will make no distinction of persons, and which will repair to some degree the caprice of fortune by subjecting equally the powerful and the feeble to mutual duties. In one word, in place of turning our forces against each other, let

us unite them into one supreme power over all, which will govern us by wise laws, protect and defend all the members of the association, repulse the common enemy, and maintain us in an eternal concord." This succeeded: and thus was born, according to Rousseau, Civil Society and Laws "which gave new fetters to the feeble, and new forces to the rich; which destroyed beyond recovery natural liberty, fixed for ever the law of property and of inequality, converted a clever usurpation into an irrevocable right, and, for the profit of a few ambitious men, subjected henceforth all the human race to servitude and misery."

The establishment of one political society necessitated the like transformation amongst all other nations and tribes, in order to concentrate their strength, and to prevent their own subjugation. The State of Nature and of War subsists thereafter only between political societies or States. And what terrible wars and butcheries have followed, so terrible that the slaughter attending a single battle often far exceeds all those killed violently during ages in the state of nature. Here the modern Anarchists, who would return to the State of Nature to avoid national wars, have borrowed a hint. From the following they may take another: "In spite of all the labours of the sagest legislators, the political state always remained imperfect, because it was almost the work of chance, and being badly begun, time in discovering its defects and suggesting remedies could never repair its fundamental vices; they tinkered without cessation, in place of beginning by clearing the ground and

removing the old materials, in order to raise a good structure, as did Lycurgus at Sparta."

The Society thus formed was at first held very loosely together by a few general conventions, which each one engaged himself to observe. Experience soon showed the feebleness of such a Constitution. It was easy to infringe the engagements, and yet to avoid punishment. The law, such as it was, was eluded in infinite ways; till at length it became necessary to hand over the public authority to magistrates—a dangerous deposit, because the magistrates in time made their offices hereditary, and came to regard themselves as the masters of the State, of which they were only the functionaries, and their fellow-citizens as their slaves.

In the progress of inequality, the establishment of law and the right of property was the first term, the institution of magistrates the second, the third and the last term was the transformation of delegated authority into absolute authority; from the first we have the distinction of rich and poor; from the second that of the powerful and the weak; from the third, that of master and slave; the last degree of inequality and that to which the others tend, "until, at least, new revolutions dissolve the Government completely, or bring it nearer to a legitimate institution."

Four kinds of inequality are distinguished: those of rank, riches, power, and personal merit; of these four, though the personal qualities are the source of all the rest originally, it is that of riches to which they reduce themselves in the end because wealth being

more immediately useful and easy of transfer, the holder of it "avails himself easily of its force to buy all the rest," and the extent to which this is actually done measures the degree of corruption of a society and a people.

That of modern society and civilization is extreme. Gone far from the path of Nature and Reason, we are consumed with foolish desires for factitious honours and distinctions which make all men competitors and rivals, or rather enemies. To such an extreme degree has man become denaturalized, that we have finally a "handful of the powerful and rich at the summit of grandeur and fortune, whilst the crowd crawl beneath in obscurity and misery; the first not really valuing the things they possess, unless so far as the others are deprived of them, and who, without other change of state, would cease to be happy if the people ceased to be miserable," their misery giving a relish and a sense of enjoyment, their pain an added pleasure—a terrible accusation, but one which happily, though in some cases there are faint grounds for it, must be pronounced grossly exaggerated, and in many cases the reverse of the truth. He proceeds in his indictment: The people are oppressed; their rights are extinguished; their murmurs treated as sedition; their goods are forcibly taken from them in the shape of taxes, whilst mutual dissensions and hatred are sown amongst them by their chiefs and rulers, in order that they may be the more easily held in subjection the more they are divided.

Such disorders intensified lead at length to the despotism of one; the last term of inequality, and

that which completes the cycle. For now all become once again equal, in that they are nothing before the despot. We have once more a return to the law of the strongest and a new State of Nature, because the tyrant is only master whilst he is the strongest, which is the State of Nature save that it is worse than the original state because it has been engendered by the excess of corruption.

Such, in outline, is Rousseau's famous story of the fall of man—a very different one from that of Moses or of Milton. The spirit of covetousness is here Satan, the tempter; Property is the forbidden fruit, from which has come evil and misery into the world; and Law, in the hands of one or a few powerful ones, has been the means whereby the evils have been kept up. Differing alike from Hobbes and Locke in this, but agreeing with modern Anarchists and many past Law Reformers, he regards laws in general as favouring the rich and powerful and oppressing the poor.

In the "Contrat Social" (1762) we have Rousseau's ideal of a good government, and his theory of the true principles of political rights. The only legitimate base of civil society is the fundamental Social Pact or Contract which runs as follows: "Each of us puts in common his goods, his person, his life, and all his powers under the supreme direction of the general will, and we collectively receive each member as an indivisible part of the whole." This act of association produces a body moral and collective, called formerly City, but now Republic or body politic, which is the State when it is passive, the Sovereign when it is active. The contractors are collectively the people;

individually, as sharers in the sovereign power, they are citizens; and, as governed by the laws, subjects.

The people collectively form the sovereign. The exercise of the General Will is the sovereignty. The general will when enunciated is Law. The aim of law is the general good, and not the good of individuals or classes. It should be limited to what is good for all, or at least for the great majority. But though the people must be supposed to desire and to will the common good, it does not always know it; its will is always right, but intellectually it may be deceived. Hence the need of wise legislators, especially at the first formation of States, to furnish laws and institutions conformable to the general will and the common good; to what the general will would be if all were fully enlightened. This did Moses, and in later times, Mahomet, great and extraordinary men, who, to give a greater sanction to the laws, attributed their own wisdom to divine inspiration. As to the common good, Liberty and Equality are its two chief ingredients, and the first aims of great legislators; as much individual liberty as is compatible with submission to laws made for the general good, and above all, a reasonable, not a complete, equality. Liberty is not possible with great inequality of material conditions. In addition to these two main constituents of the general good in all countries and times, the great law-givers in their laws and institutions should have special regard to the peculiar national bent or genius of the people, as well as to their physical environment; otherwise, if

these two things are left out of the law-giver's purview, or if he runs counter to them, the state will never be solidly based.

Turning from what should be, to what actually is, as matter of fact there are few good governments. Liberty does not exist, equality still less, and laws far from aiming at them, have been employed chiefly to maintain the rich in his wealth, and the poor in his misery and subjection. Even if a good political system were possessed by a people, it would only last for a period, because all things human, including the best States, grow old and die, and tend to degenerate before they die. The most that a people could hope for, supposing that they had a good polity, would be to delay its decline, to lengthen its life, by interesting themselves in public matters, instead of deputing the work to others, as not being their own concern. When they become indifferent and prefer ease, gain, or anything else to liberty, the state is already on the fatal incline.

The people may part with the Executive power, in fact they must do so; they must never lose control of the Legislative power, if they would remain free and be the real source of the laws they impose on themselves. They are free so long as they submit only to laws imposed by themselves; but if they part with the legislative power, their officials will become their masters. The safeguards by which the usurpation of the sovereign legislative power by the executive may be prevented, are periodic popular assemblies, which should meet by law without requiring special summons, at which two questions should

be submitted. The first, whether it please the sovereign to preserve the existing form of government; the second, whether it please the people to leave the administration to those who are actually charged with it. Certain means of strengthening the constitution of the state are pointed out; the modes of election of officers and functionaries in democracies and monarchies compared; the dictatorship as a temporary expedient in a time of national crisis is permitted, and the relations of religion to the state are laid down, the chief of which is the toleration of all religions that tolerate others, provided only that their dogmas are not contrary to the duties of citizens.

The consequences of these two works on politics, together with his other works on education, art, morals, and the conduct of life, were prodigious. Not since the voice of Luther was heard, hardly since the words of the Gospel were spoken, had there been words so charged with far-reaching effects; words which stirred thinkers, poets, the middle classes, the people; words which have been the fountain-head of all revolutionary, communistic and socialistic literature since, and whose influence will be felt while the earth revolves in space.

The irrevocable words were spoken that had so long waited for the right speaker, and which expressed the thought obscurely felt by millions of human hearts. The multitude were awakened to consciousness by them. The poor had found a powerful pleader, the dumb millions a voice, Democracy its refounder, and Humanity in the eighteenth century

its typical representative man, who gave vent to its inmost sentiments, troubles, aspirations, and audacious spirit of revolt. Whilst moralists in England were elaborating their moral systems and hatching theories of moral sentiments, suddenly there appeared this disturber of symmetrical systems, announcing that morality and moral obligation are largely meaningless, so long as society, the social structure and the social order in its essence, reposes on injustice supported by fictions and falsehoods; and with one result, if his message be true, that the moral systems become suddenly vanity, and the whole subject must be considered afresh from the new point of view. In like manner, whilst the political writers and jurists were repairing their old theories in language abstract and formidable, here was a man of original insight with a fresh account of the actual origin of law, as well as of its only legitimate origin; with a new theory of society and law as they ought to be; a man of genius, sincere and earnest, who has suffered from the evils he denounces; one who can speak clear words, new words, acute and ingenious, and felt by the hearers to be largely true, though never heard before; who does not speak merely to the learned, but who can make any intelligent reader comprehend him; one, too, who, while he can cut in twain a sophism as skilfully as the most accomplished of the dialecticians, or as the most learned of the philosophers, at times throws out memorable sentences that the rude swain or unlettered artisan can comprehend. Once again in the world was seen the marvellous power of "the Word" when uttered by a man of genius, with a heart

beating for humanity, who had the eye to see and the courage to speak; above all, when he speaks the word that his Age wants said. For Rousseau merely said best what many in his age were endeavouring to say; he merely expressed most clearly, sincerely, fully and eloquently the thought and sentiment of his age everywhere felt in the air, the spirit of his time which was seeking for a voice and found it at length in him.

They were terrible as well as memorable words: charged with class hatreds which they were destined to evoke; fraught with war and revolution and anarchy; words which, little as their author intended it, brought not peace on earth, but a sword. Nevertheless it was necessary that what was true in them should be spoken, and on Rousseau, first amongst the moderns, fell the burden of the old prophets. There are errors in his writings; he was wanting in our ampler and more accurate historical knowledge; he exaggerates social evils; he needlessly blackens human nature, as it now actually is, since if man, in the course of evolution, has acquired new vices, he has also developed glorious virtues. Further, his account of the origin and evolution of law, and of property, does not accord with the results of recent historical research into the early condition of men. There was no social contract of the kind described. Law, like most other things, began at a germinal point, and went through slow insensible changes, which can be only roughly marked into stages—patriarchal commands, customs long obeyed and taken up as laws after states were formed, the com-

pilation of these by great lawgivers, like Lycurgus, Manu, Solon, finally, legislation by the sovereign body. And the like is true of the formation of States or civil societies which were not, any more than laws, born on a determinate day, but were for the most part the result of a slow evolution.

He is wrong as to the primitive state of man. Our remote ancestors appear to have been neither happy nor amiable so far as the somewhat doubtful light of historical research has fallen on them in early times, or the more doubtful light of scientific speculation, in prehistoric times. It is questionable if they ever lived solitary, even in prehistoric times. And it is certain that the savages of to-day are not happier than the masses of the people in civilized communities, though probably they are happier, or at least feel less pain and misery, than the members of our lowest social stratum. They do indeed enjoy freedom from all laws, and from every restraint except custom, and they have a certain sense of self-sufficingness, and perhaps a sense of completeness of life beyond what is possible to our labouring population, who, through excessive division of labour, must devote their efforts to doing the same thing continually. But these advantages of the savages are purchased at great cost. Their numbers are relatively few, and these few can with difficulty satisfy even the lowest and most elementary needs of life.

He is wrong in maintaining that metallurgy and agriculture destroyed the human race in any other sense than that they made possible the first great departure from the nomad or savage life, and led, as

Rousseau rightly shows they did lead, to private property in land.

Nevertheless he was largely right. There is a broad general truth in his historical stages, and a truth partial, but terrible, running through his denunciations of society and civilization, which is independent of the accuracy of his historical facts. We recognize the general soundness, strictness, and ingenuity of his reasoning, the clearness of his perceptions, the sincerity of his convictions, the fervour and earnestness of his eloquence. He remains the prophet and founder of modern Democracy, the forerunner of modern Socialism, and one of the most remarkable of the sons of men.

V.

As to the question how far Rousseau is to be regarded as a Socialist, the answer depends on the particular sense we attach to the word. He certainly was not a Socialist in the sense of Collectivist, nor can he be regarded as a Communist, though there are arguments that favour Communism in the "Discours sur l'Inégalité."[3] It was undoubtedly his opinion that men should never have left the state of

[3] In particular the well-known passage: "Le premier qui, ayant enclos un terrain, s'avisa de dire; *Ceci est à moi*, fut le vrai fondateur de la société civile. Que de crimes, de misères et d'horreurs n'eût pas épargnés au genre humain celui qui arrachant les pieux et comblant les fossés eût crié à ses semblables; Gardez-vous d'écouter cet imposteur! vous êtes perdus si vous oubliez que les fruits sont à tous et que la terre n'est à personne."

Nature and the primitive Communism (their doing so being partly voluntary); that so far as voluntary it was a fatal and nearly irreparable mistake. But he is far from urging any attempt to return to it (other than by endeavouring after a more natural and less conventional life), because, on his principles a civilized society can no more return on its old steps than an old man can become young again; civilized society being in his view a society in old age, and subject to all the pains and infirmities of old age. The most that can now be done is to make the best of the case, to mitigate the infirmities and defer decay by good laws and institutions well administered, and by good manners and morals in harmony with the laws. In the "Contrat Social," he tells us that in a properly constituted government the General Will should prevail. In the "Economie Politique," he further tells us that virtue and morality consist in conforming to the general will as expressed in good laws. If there were generally such conformity, if such laws, wisely framed as expressions of the general will, were obeyed by the people and administered by the magistrates and elected rulers; above all, if the people were early trained to respect the laws, and to love their country, life even in our modern effete societies would not be at all a bad thing—in fact, he adds, regardless of consistency, "there would be little wanting to make the people happy." This is undoubtedly a contradiction of the doctrine in his former work; but the essential thing to note is that we have here his later ideas; that they bore memorable fruit thirty years later when the attempt was

made to realize them in France; and that the doctrine of the supremacy of the will of the people, underlies, nominally at least, all modern popular governments.

He repeats that a primary aim of such a government should be to prevent too great inequality of property; and the equalizing process should be effected, "not by taking riches from their possessors, but by giving to all the means of increasing wealth; not by building hospitals or almhouses for the poor, but by guaranteeing the citizens from becoming poor, by laws and institutions"; for, as he pointedly says, it is precisely because there is such a powerful tendency in things to inequality, that it must be met by the constant counteraction and pressure of laws and institutions. In various specified ways, some economically sound, some erroneous, governments can aid in the general diffusion of wealth. But above all things it is necessary to first form good citizens, and to have good citizens it will be necessary to take them early in hand; "it will be necessary to educate the children." Education should be a function of the state, not of the parent. Then follow his later views on private property; in which we find the statement that seems at first remarkable as coming from Rousseau, "that the rights of property are the most sacred of all the rights of citizens, more so in some respects than liberty itself." Strange too that we find good arguments against curtailing inheritance, which have been reproduced by Mill ("Pol. Economy," Book II., chap. ii.): one being the sensible and well-known one that the children are

frequently co-labourers with the parent; the other that there is nothing so unsettling in a state as great vicissitudes of fortune in its citizens which the abolition of inheritance would involve. It is chiefly by judicious taxation, on which he reasons ingeniously and acutely, that Rousseau, equally with Montesquieu, would prevent inequality. "It is by taxes like these," he says, "which ease the poor, and fall on the rich, that we must prevent the continual increase of inequality of fortune, the enslavement by the rich of a multitude of labourers and useless servants, the multiplication of idle men in the large cities, and the desertion of the country districts." In the first place, other things equal, the man who has ten times the wealth of another, should pay ten times his tax; secondly, one who has no more than necessaries, should not pay any tax. The man who has more, if the need should arise, might fairly be required to pay the whole surplus above necessaries. The rich draw more advantages from government and the social union; they get all the lucrative posts, sinecures, favours, exemptions. The law favours them, takes every pains to protect them, but hardly ever punishes them. "The rich man gets a hundred things, for which he pays not a sou." The poor man gets nothing, neither goods nor succour. With the greatest difficulty can he get even justice. Then the losses of the poor are less reparable, and the difficulty of acquisition is infinitely greater. Moreover, what the poor pay in taxes is for ever lost to them in the money form, while it is mostly into the hands of rich people—those who have a share in the govern-

ment, or those who have influence with these—that soon or late the product of the tax passes.

On all these grounds taxation should have regard to the different conditions of the contributors, and especially as respects superfluities, and so should not fall, as it generally does, on the people, but on the rich. Sumptuary taxes,—taxes on costly articles, livery, carriages, the mass of objects of luxury, or amusement—are recommended as forming the least onerous and most certain means of raising a revenue for the State.

Thus then, finally, we see that Rousseau was a Socialist. He is a preacher of equality, and the most powerful. The greatest evil is inequality. A good government should aim by good laws and wise measures at preventing inequality from growing too great. Education should be a state function. But all this is Socialism, and State Socialism; not Socialism in the new sense of collective ownership and co-operative labour, because this particular form of the general thing would have been irrelevant to the economical circumstances of the time, and inconceivable before the industrial revolution, and the large system of production and concentration of capital in few hands which was the result of that revolution, itself scarcely then begun. Something, indeed, like the idea of land nationalization he had in his mind;[4] to be effected by the relief of the peasants from accumulated feudal and fiscal burdens, so as to leave them owners, as was in fact largely done by the Re-

[4] In the "Economie Politique," in particular, he gives expression to it.

volution; but he had no idea of the nationalization of capital, the favourite idea of Collectivist Socialists. He aimed in general at the diffusion of property, which if it were done and could be maintained, the better part of the new Socialists' end would be secured without confiscation and the danger attending a general social transformation.

VI.

WITH respect to Rousseau's direct influence on Socialistic development, M. Janet thinks that he has "furnished to the Socialists formulas rather than arguments;" but allows that "he is incontestably the founder of modern communism." On the other hand, M. de Laveleye traces the Socialism of Fichte, which contains Collectivism in germ, as well as the Anarchism of Bakunin, to the ideas of Rousseau.

The Abbé Mably, however, M. Janet admits, is a disciple of Rousseau. In his "Législation ou Principes des Lois" (1776) Mably attacks private property, and defends Communism as the natural system; so natural that the real difficulty is to explain how property ever arose. Men are equal; as they issue from the hands of Nature, they are all similar. It is the inequality of fortune that makes, through inequality of education, the great seeming inequality of talents and ability. Some natural differences of gift there are, but they are not great,[5] and they bear

[5] In maintaining this proposition, Mably is in agreement with Hobbes for the most part, but not with the St. Simonian

no proportion to the monstrous inequalities of fortune.

But though Communism is according to Nature, Mably knows as well as Rousseau that it is impracticable for the present; the opposite system of property having such deep and widespread roots. The only thing left to be done is for legislators to aim at a return to Communism by slow stages, or at least to take practicable steps in its direction. To this end, he recommends measures some of them similar to those suggested by Rousseau; namely, direct taxes on land; sumptuary laws; laws regulating successions; prohibition of testaments; agrarian laws limiting the extent of landed property.

The cruder Communism of Morellet as given in his Code of Nature (1755) does not appear to have been due to the influence of Rousseau, but rather to general ideas of the kind "in the air;" yet as his scheme was that which, according to M. Janet, Babœuf afterwards attempted to carry out by force in France, and as our modern Collectivists appear to have taken some hints from it, it may be referred to here. Morellet's fundamental laws are three: no property; every one to be a public servant or functionary;[6] and every one to do real work, as insisted on in the Collectivism of to-day. Production

Socialists, nor with the common verdict of mankind, so long as Nature produces Newtons, Watts, or in general what are called men of genius.

[6] This is a point much insisted upon by the Collectivist Socialists: see Gronlund's "Co-operative Commonwealth," p. 146.

and distribution are to be regulated by the State; education likewise, and in fact the whole of life, as in More's "Utopia," to the circle of ideas in which, though even less practicable in the eighteenth century than in the sixteenth, Morellet's scheme belongs.

A much nearer approach to the Socialism of to-day is made by Fichte, the great German idealist philosopher. His theory of property is remarkable, and his practical scheme founded on it was prophetic, if not suggestive of the Collectivist scheme. According to Fichte, the only legitimate origin of property is labour. Whoever does not work, has no right to the means of existence from society. On the other hand, he who has not the means of living is not bound to recognize or respect the property of others, seeing that as regards him the principles of the social contract have been violated.[7] "Every one should have some property; society owes to all the means of work, and all should work in order to live;" principles which if logically carried out would justify the right to labour and a good deal of the Socialist creed. But Fichte does more than lay down the principles on which society should be based as regards property. He sketches in clear and bold outlines the form of a society and an industrial system embodying his ideas of right and social justice. "Production and distribution should be collectively organized; every one should receive for a fixed amount of labour a fixed amount of capital, which would constitute his property according to right." Property

[7] Laveleye's "Socialism of To-day."

would thus be made universal. In the spirit of Rousseau, he maintains that "no person should enjoy superfluities so long as any person lacks necessaries; for the right of property in objects of luxury can have no foundation until each citizen has his share in the necessaries of life. Farmers and labourers should form partnerships so as to produce the greatest result with the least exertion"—an ensemble of ideas which, as M. de Laveleye, says, are "manifestly inspired by Rousseau and the eighteenth-century philosophers, and in which we have the essential ideas of contemporary Socialism as regards both the notion of right and its realization."[8] In the notion in particular that for a "fixed amount of labour, every one should receive a fixed amount of capital," it is not difficult to see in germ the idea of Karl Marx that the quantity of social labour measured in time, is the measure of value, and still more easy to perceive that it is identical with the Collectivist law of distribution that all should receive, in return for hours of labour, labour cheques, or goods that cost an equal number of hours of labour. In fact, if we join to this Morellet's idea that every one is to be a functionary of the State, we have in outline and in essence the whole of the new Socialism on its constructive, as distinct from its critical side.

According to Laveleye, even Bakunin's Anarchism is traceable to Rousseau conjointly with the German philosophers of the present century, and undoubtedly the incoherent ideal of the anarchist, so far as it can

[8] "The Socialism of To-day," p. 8.

be gathered, would seem to be modelled on Rousseau's picture of primitive man in the state of Nature; free, happy, without religion, without civilization, without laws or government, consequently without national wars; a happy condition between which and us there is only interposed the State and its repressive authority to keep us back. Consequently this authority must be attacked, and the State overthrown, and then the happiness of the state of Nature will be once again within our grasp. But here there arises a slight incoherence or contradiction of doctrine. Bakunin desires what he calls the "autonomy of the individual," or as a disciple expresses it, "that every one should be free to do as he pleases;" with no restraining laws, as in the land of Israel, when there was no king, and "every man did that which was right in his own eyes." But as he or his disciples have also foreshadowed the "amorphous commune" as the autonomous unit and co-operative labour in field or factory as the means of life in the restored state of Nature, it is difficult to see how every man can be autonomous, or himself the masterful, uncontrollable unit, if there is to be any social intercourse, or any organization of labour, or at least unless the large system of production is abolished. It is difficult to take part in the large production without some surrender of Freedom, and it is perhaps a perception of this difficulty that makes Prince Krapotkin advocate an extension of the smaller industries.[9] But if we may regard the Com-

[9] See art. *Nineteenth Century* for October, 1888.

mune as the unit with co-operative labour even on a small scale as the goal, this would correspond as nearly as circumstances allow to the stage at which Rousseau affirmed mankind should have arrested itself, the stage when men lived in little village societies, and before they made the fatal social contract which gave birth to civil society; the happy savage state before civilization or laws, refined arts or luxuries; and if this be the origin of the anarchists' ideas, it would partly explain their hostility to civilization, art, science, and their glorification of "holy ignorance." But, however this be, the germs of their aspirations and creed are to be found in Rousseau's earlier writings, and probably were thence gathered by Bakunin. But that Rousseau did not think a return to the past possible, that he did not wish for non-government, but a good government and reforms, we have just seen. The pity was that neither the reforms he desired, nor the best government as the means of accomplishing them, could be attained without a revolution.

The Revolution came for which Rousseau and others had prepared men's minds. What was the Revolution? At first a rising against the privileges and unjust exemptions of the nobility and clergy, in the sequel a rising against property, largely held in their hands, and an attempt to bring in the reign of equality; in short, a Socialistic Revolution, in its essence, as M. Taine regards it, although the word did not then exist. The course of the revolution turned entirely on the question of property. It was

a contest (in which the third estate and the people were on one side) for a new distribution of property and of political power as a means towards it. It has, indeed, been asserted that it was a Bourgeois revolution ; that it was made by the Bourgeoisie, and that they were the sole gainers. This is partly true, partly erroneous, for the people gained likewise. They gained the land ; at least two millions were added to the peasant proprietors that existed before the Revolution, and all were relieved from oppressive feudal burdens. It is, however, true that the rising middle class, envious of the political power as well as the exclusive privileges and social position of the upper classes, were the leaders of the assault on power and privilege, and that they finally overthrew them, while ever afterwards, even during the strong rule of Napoleon and the time of the restored Bourbons, they monopolized place, and to a great extent, from the fall of Napoleon, political power. Nevertheless the people, as stated, gained very considerably by the Revolution. They had been the poor and suffering class, and they gained the most from the material point of view. They not only gained the land, but they also gained the consciousness of their strength which, as shown by repeated instances, they have never lost since the great Revolution—a fact which makes the people a power in France beyond what they are in any other country. It is true that since the Revolution they have fallen into a new subjection in the great towns—the economic subjection to capital, —but the French working classes have very emphatically shown that they will not submit resignedly

to the power of a plutocracy, while their countrymen in the rural districts have shaken themselves free of the feudal aristocracy.

The Revolution was forced to fight. The "French principles" were dangerous, were infectious. It was the cause of the people and partly of the growing middle class over Europe against the privileged classes. The Titan war followed between the French nation in arms and the coalesced kings of Europe. When the excitement was all over, when the thunders of the cannon were hushed, it was found in fact that the terrible war had been for the most part in vain; that all the blood and treasure had been spent for little result from the reactionists' point of view; that, though men may be killed, ideas are impenetrable by bullets, and that men of the sword may "as easily cleave the intrenchant air with their keen blades" as principles like those that underlay the Revolutionary movement; that the Democratic flood was, in fact, only temporarily checked, to acquire thereafter increased and irresistible volume and force.

CHAPTER III.

MODERN SOCIALISM: FROM ST. SIMON TO KARL MARX.

I.

THE ferment of ideas and the gorgeous hopes first aroused by the Revolution ushered in a fresh era of Social Utopias, as well as patent political constitutions. Babœuf, in France, advocated pure Communism in addition to liberty and perfect equality, though without showing how liberty is reconcilable with Communism. In England also, Godwin, in his "Political Justice," impressed with the evils of the existing order which he powerfully denounced, declared for Communism as involving the lesser evils. He makes somewhat light of the tremendous difficulties in the way, answers them one by one more from the lofty point of view of the philosopher than of the man. He is, however, logical and thoroughgoing, since with Plato, or going beyond him, he does not shrink from, nor stop short of, a community of women and children as well as of property. From this work Shelley derived the like social and political faith, as shown in the "Revolt of Islam" and others of his writings. Other English poets, including Coleridge and Southey, were smitten with the ideal

beauties of Communism, which they proposed to realize in the New World, away from European prejudices and obstacles, in fact in the land the most suitable, in America, where so many new social experiments have since been tried.

These and different other Utopian schemes remained ideas ; they became forgotten as time moved on, as the Revolution seemed to have failed, as men saw their impracticability. It was not until the great war was over, and the Industrial Revolution, which had been going on before and during the political and social revolution, and during the war, had nearly accomplished itself, that something resembling a possible scheme of social reorganization was submitted by St. Simon, a French noble, who accordingly is usually regarded as the founder of modern Socialism, though even he can hardly be said to have reached the true socialist position, or the distinctive doctrines of socialism until within a few years of his death.

Undoubtedly he was a man of genius and insight—a bold and original social thinker and reformer, some of whose ideas have had permanent results, and these, as well as the successive phases of thought which led up more and more clearly to his final views, are well worth considering. According to St. Simon, modern society had long been disorganized, and it was urgently necessary that it should be organized afresh and on wholly new principles. It should be organized with a view to the needs of industry, which will be its future main business, as it had been organized in the past with a view to the needs of war as the normal state. That past was gone. The day of the

feudal noble, of the military leader, even of the priest in the old sense, was gone. The day of the industrial chief, of the savant, of the man of letters, was come. The true aim henceforth of man in society, the true end of the social union, was the production of things useful to life—"the exploitation of the globe by association," as he expressed it in more general and grandiloquent terms. This being so, the chiefs of production, the leaders of industry and of science, which on its practical side is the handmaid of industry, should be the leaders of society, and should also form the Government. Non-producers, whether nobles, landed proprietors, *rentiers*, priests, so far as they taught erroneous morality, should be excluded. In "l'Organisateur" (1819) he gives a plan, half practical, half Utopian, for realizing this social aim. He proposes three chambers, one of Invention, one of Examination, and a third called the Executive Chamber. The members of the first and second were to consist of engineers, *savants*, men of letters, artists; they were to be paid by the State, but they were to be merely consultative bodies: the members of the third were to be the great industrial leaders, capitalists, and bankers. To these last he gave the executive power, and the control of taxation and expenditure; and by so doing, as M. Paul Janet says, he gave them the real temporal power. As in Comte's "System of Positive Polity," the capitalists—and particularly the money capitalists, the great financiers and bankers,—were to rule; though St. Simon wishes their functions reduced as much as possible by submitting their measures to the superior scientific light of the other

chambers. To the *savants*, supplemented by literary men and artists, is virtually left the spiritual power.

But in the "Système Industriel" (1821) a change is made. The *savants* and the men of letters are disestablished. The spiritual power is withdrawn from them, and especially from the *savants*, on the express ground that such power would quickly corrupt the scientific body; that it would appropriate "*les vices du clergé; il deviendrait métaphysicien, astucieux et despote.*" The temporal power and the social hegemony were left with the industrial or capitalist class; and the power withdrawn from the *savants* was to be handed over to positive philosophers. The King himself was to bring in the new system by the Dictatorship—the favourite method in France of cutting the political Gordian knot. To this end St. Simon addressed himself to the King, begging that he would declare himself the *premièr industriel* of the kingdom, and affirm the system by Royal Ordinance.

So far one does not find much Socialism, but a good deal of what is known as Positivism. We have a plutocracy in power; the capitalist ruling in the Government, as well as in the sphere of industry; the precise opposite of what Socialists of to-day desire. Apparently the antagonism now so pronounced between Capital and Labour had not then presented itself to St. Simon's mind. On the contrary, the capitalist was the general benefactor, and the special patron and protector of the proletariate.

But soon we find a new idea rising and intensifying in St. Simon's mind, an idea which his school developed much faster than the Master. He finds,

looking at the condition of that "large and interesting class" that lives by manual labour, that it is far from satisfactory. Especially he notices early that figure, in which the whole social problem presents itself in epitome, "the able-bodied man who can get no work," and whose wife and family are tied to the hazard of his fate. He asks what are the chief wants of the large labouring class, and he finds that they are two: he wants constant work, and he wants knowledge; labour to live by, and the light of science which may help his fortunes. Both these should be assured to him. They are his rights. The public budget should be employed to ameliorate the condition of the people, and the two primary heads of expenditure should be; the first, for the education of the people; the second, for the ensuring of work to those who have no other means of existence. Here, for the first time, we have a distinct form of Socialism indicated; we have a form of State-Socialism and the Right to Labour recognized: though whether a Government of capitalists would be likely to go far in a direction which might seem to threaten their own profits, or introduce additional competition into their special fields of enterprise, is a question that does not seem to have arisen in the philosopher's mind.

He goes on, however, in his now rapidly increasing sympathy for the proletariate, to declare that the aim of politics should be "to labour directly for the well-being, moral and material, of the working classes;" but he now perceives that neither could the new society subsist nor those noble aims be attained without a new morality. No society, he affirmed, was pos-

sible without "moral ideas held in common;" but the old morality was defective, and unsuited to the time. A new morality, resting on a new basis, was required; a new doctrine appropriate to the state of knowledge; and this new body of doctrine should be supplied, not as formerly by theologians, metaphysicians, men of letters, publicists, nor yet by *savants*, because they lacked the faculty of generalization: but by "positive philosophers" only, and here again we have the essence, so oft repeated, of Comte's "Philosophie Politique."

But neither could a society live without religion: still less could it be reformed. He addressed a letter to the king, in which he said that the fundamental principle of Christianity had commanded men to regard each other as brothers and to co-operate for mutual happiness; a principle which required to-day a new application. It was necessary that the temporal power should appertain to "men useful, laborious and pacific; and that the spiritual power should be assigned to men possessing the necessary knowledge." Otherwise the principles of fraternity and mutual love would be inapplicable so long as these two powers were in the hands of warriors and theologians; since wars and theological dogmas have been the chief causes of hate amongst men. He turns to the philanthropists saying that to make Christianity a practical thing and a true moral power there will be previously necessary a moral force to do it. This new moral force he thinks is already distributed amongst them, and he calls on them to be the new evangelists. Preaching, the power of the word through voice and pen,

will be necessary to enforce the new doctrine on kings, capitalists, and peoples. And the final aim of all is declared to be to organize society in the manner the most advantageous for the greatest number; that is, the working classes. In his last work, the "Noveau Christianisme" (1825), he gives us the new moral maxim, the new version of our duty to our neighbour —the duty of all classes above the lowest—which is, that "all should labour for the development, material, moral, and intellectual, of the class the most numerous and the poorest." This is Christ's teaching adapted to the circumstances of our time. To do this is both morals and religion in one. There is no special dogma or religious doctrine laid down, save the belief in God, and the implied belief that Christ was specially commissioned to teach men the way of life, anew announced by St. Simon.

II.

SOME of these views are remarkable and original; but they are not very socialistic. What rather strikes us in reading them in their totality is their strong resemblance to Positivism, save only in the last religious phase. It is only in the hands of his School that we find certain of his ideas developed, perhaps logically, but probably to consequences the master would not have allowed. At all events, it is amongst the St. Simonians that we find what is no more than the germ with St. Simon developed into the full-blown flower of an all-embracing State Socialism.

According to St. Simon, as we have just seen, the

true social aim is the exploitation of the globe by association; according to the school, this has not been the aim hitherto. Rather, it has been the exploitation of man by his fellow man. In future it will be the exploitation of nature, the utilizing of her resources, by "man associated with man."

There have been hitherto three successive stages in the exploitation of man by his fellows; slavery, serfage, and the proletariate, or modern wage system. In each successive stage the condition of the labourer has improved, but the essence of all is the same, and the present system is only a mitigated serfage. In appearance, indeed, the worker is free; he is not bound to the soil; and the contract with his employer is apparently a free one. In reality it is not free. There is compulsion brought to bear on his will by the necessity to live. In result he will only get a certain wage, not much above the means of bare existence, and he will have to work hard for it, while he may at any time be thrown out of work by industrial crises; moreover, his children's condition will be no better, if as good. "For social advantages and disadvantages transmit themselves hereditarily: misery is hereditary." Property and poverty are alike transmitted without reference to individual merit, which is both a moral and a social evil, and the source of all other evils. To raise the condition of the proletariate, to carry out the words of St. Simon's last testament, to ameliorate the condition of the working classes is impossible, they say, without a radical reform of the institution of property and inheritance.

The conception of property and its rights, they show, has changed through the course of history: why may it not be so again? Property under the feudal *régime* was not the same as property to-day under most civil laws. The right of bequest had been altered; the right of succession had been interfered with and regulated by law. Why might not the like be done again? especially if it can be demonstrated to be necessary to raise the condition of the mass of the nation—the true aim of both practical morality and religion.

They considered the subject of rent, and found that the modern landowner is not entitled to receive it while he discharges no duties. In the middle ages it was necessary to pay rent, or its equivalent in produce, in order that the chief and his soldiers should be subsisted for the military needs of the time. Those who fought, who defended the goods and persons of all, had to be supported by those who worked. It is not so now; and the surplus produce, due to the different qualities of land, should not go to the proprietor, but to the nation as a whole. Only so far as the proprietor is himself cultivator should he reap the fruits.

Coming to Capital, we find that the St. Simonians had new and original views that never dawned upon the Master. According to Enfantin, capital in the form of instruments and means of future labour does not belong to, and should not be regarded as the property of, the individual in such a sense that he could deal with it as he pleased. It belongs to the community, which would have to keep it up in the capitalist's absence, under peril of future penury. Capitalists

are the depositaries, the stewards, the "intendants," to use the St. Simonian word, of this capital; the revenue coming from it, after paying wages and materials, is at present allowed to them as profits, and very high they are; but the principal, the capital itself, is not theirs morally. It is true the law allows them to regard it as theirs, to do with as they please. They could consume it unproductively; and individuals often do. But what proves the community's paramount claim is the consideration that if this practice were general the community would be ruined, and it would then perforce have to withdraw the trust from the present trustees and managers of the fund. The community's claim to the capital lies latent; there would be no need to assert it if the capitalists made the best use of the national principal, if they managed it at the least expense, with the greatest intelligence, and made its product the greatest; and, lastly, if they made an equitable partition between themselves and their assistants. But do they? the St. Simonians go on to ask. Far from it. That they do not manage it with intelligence is proved by the frequent industrial crises, in which there are violent and irrational transfers of capital and losses of capital; the sudden ruin of individuals; the paralysis of production and trade; and from which the working classes thrown out of work receive the most violent strokes of all. They do not adjust production to consumption, to the wants of the public, because they have not sufficient knowledge. Now the Government could procure such knowledge, and could adjust supply to demand whether home or foreign. Then the existing

system is one of competition between producer and producer, and between distributor and distributor, with the result that they frequently ruin each other; their avowed object being, as far as possible, by a system of under-selling, to ruin rivals, without much gain to the public; because, when they have cleared the field sufficiently, the survivors change their tactics, and raise their prices on the buyer.

The proprietors of capital are only depositaries, and "what is saved from past labour ought not to be in the exclusive interest of individual enjoyment." This, according to M. Paul Janet, is "le nœud de la théorie,"[1] and the meaning is that savings should either be added to capital, which is common property, or be divided fairly for consumption, but that in neither case should they be regarded as the capitalist's property.

Closely connected with this view of capital and of property is their cure for the existing evils. It consists simply in the abolition of hereditary succession. A son shall neither succeed to his father's savings nor to his father's function. All savings, at death, revert to the State, and become the property of the community. This is a consequence of their fundamental and famous principle of distribution: "From each according to his capacity; to each capacity according to its works." This, they say, is the only principle of distribution that is at once just and natural in the sphere of material production. It is a natural principle, and the earliest. If alone, a hunter, a fisher, a tiller of the ground, got according to his

[1] Janet's "Saint Simon et le Saint-Simonisme," p. 93.

works; if working in association he should get so likewise, were there any means of discriminating the amount of his contribution to the product, and of comparing the value of one product with another, both of which can, however, be done with sufficient accuracy for practical purposes. It is the only just principle that he should get in proportion as he contributes. But such a system would give to the man already favoured by nature, an objector may say. No doubt; but that seems to be Nature's intention, too; at any rate, it would work better than the present system, which keeps back the man favoured by Nature, by bestowing the means of life and all else according to the chance of birth, from which it follows that capacity is kept back and crushed by incapacity, and society loses much thereby. Our Revolution, they say, was the first great assertion of this fact and intention of Nature; the first great rising of Talent against the hereditary usurpation of its seat at the banquet of life, a rising against Privilege, an emphatic declaration that ability will have its opportunity, and will not suffer exclusion in the name of a dying fetish. Let us all take our places in future according to this principle, and let promotion be by merit, measured in the same way. The hindmost will then have no cause of complaint against society, while his lot will be much mitigated under our system, as compared with what it is at present.[2]

St. Simon, they say, protested against "les oisifs," and justly; he did not point out the cure. It lies here —in the abolition of inheritance. Destroy that, and

[2] "Saint Simon et le Saint-Simonisme," p. 90, *et seq.*

each new generation collectively enters on its total collective inheritance, is the successor to the last, and to all its functions and offices, the rewards of which shall be rated respectively at what they are worth by the most expert valuators of the time. Each one will then get his due place in the grand army of Industry, his fair portion of the total of its fruits. His future will be according to merit, which will be measured by his work and the promise of further work.

By the abolition of inheritance the State becom s the owner of land and capital, the necessary instruments of production. The next step is to organize production ; for which purpose it must itself undertake all industries, and thereafter appoint the hierarchy of workers. What it does in the Army, the Universities, the Civil Service, say the St. Simonians, it can do universally. The rewards will not be equal ; they will be in proportion to the work, and the grade of advancement in it ; but there will be no more exploitation of the working classes, because there will be no more great capitals in private hands. If a well-paid official chooses to save he may do so ; but at his death his savings go back to the State. The individual will thus have little inducement to save, but also there will be little need for it, as his future and that of his children will be assured. If any one objects that the stimulus to labour will be withdrawn under the system, the St. Simonians reply that the hope of promotion will be a sufficient stimulus. But they agree with the founder of the Sect, that a new religion and morality will be necessary before men can be brought to see the justice of their

proposals. Christianity must be interpreted in a wider sense, or certain of its dogmas must be set aside to get this better and more suitable religion. Industry and science must be pronounced holy and religious. Men must no longer be taught to think this life a mere preparation for another, or that the flesh is necessarily sinful. The existence of God is declared to be the first article in the new religion, but the conception must be widened beyond the narrow orthodox one.

We thus see that the St. Simonians had very advanced views on property and social re-organization. In fact, their ideal, as given above, is that of the Collectivists of to-day, who have scarcely advanced a single step beyond the sketch of the St. Simonians. We have nearly all the ideas of the present Socialists, not merely in vague and general, but in definite, specific form : that land and capital should belong to the State in collectivity ; the three stages through which the labouring class has passed, slavery, serfage, the proletariate ; the evils attending the existing competitive régime ;—the commercial crises, the ill adaptation of production and consumption, the ruin of rivals, the uncertainty of work for labourers, and their depressed wages. We have the ownership of land and capital by the State, or what is now called their nationalization, advocated, as well as the transformation of every one into a State functionary ; in fact, the most complete possible State-Socialism. The whole falls short of the Socialists' argument as now presented by only one thing—the economic and the historical argument of Karl Marx, which tries to prove that capital

is a robbery of the working classes. The St. Simonians further, with great insight, put their finger on the specific remedy, other than State organization, which appeared to be both possible and practicable, and which if it could be carried out would certainly be efficacious, and lead up to a universal State-Socialism, namely, the curtailment and final abolition of inheritance. It speaks much for their perspicacity, that they should so long ago have so clearly felt their way into the true line of least resistance ; but still more that they saw that a moral change was concurrently or antecedently necessary. The weak place in their scheme was that they did not sufficiently calculate the vast *vis inertiæ* of an established system, nor allow for the great length of time necessary to bring about social and industrial changes, nor for the fact that to a large extent changes are spontaneous and independent of governmental action. Their ideal had much in it that was good and just, and much that in time will probably be realized. We have been slowly moving towards it. We are just now moving faster ; but even so, with the normal rate of evolution somewhat hastened under a force constantly increasing, it will take a very long time, considering the great forces of resistance, before society attains the St. Simonian goal, where each one will be placed according to capacity and receive according to his works. There are things in the way : the established system, in great part complicated, growing according to its own laws, and with deep roots : and there is our unchanged human nature, on which it

reposes, and to which it responds; while, in part at least, our moral sentiments must be improved before the system can be greatly changed for the better.

The specific objections are obvious enough. If the State controlled all industry, would the produce be as great as under the present system of private enterprise, where profits go to the private owner of the concern? If all the work was done with the languid energy shown by present government functionaries, would it be done so well as now, and would the nation be poorer or richer? If the stimulus now given by the gain and loss falling on the undertaker were withdrawn—a stimulus which, by appealing through his self-interest to his energy, inventiveness, intelligence, makes him perform prodigies—can there be a doubt that there would be much less to be divided amongst all, and that the workers themselves would be worse off? Then *would* or could each one be placed according to merit in the projected system? The Government would have the selection of the different incumbents of offices. But does it now always appoint by merit? All would depend on the Government and its composition; but it would presumably be composed of men like the present rulers. Even admitting that it might be better and wiser, how is the change to be made, the new Government to be installed, since no existing one would be likely to pass a law for the abolition of Inheritance?

III.

In England, a doctrine substantially the same as the

St. Simonian was preached by Carlyle, a greater man than St. Simon or any of his school. Whether Carlyle was original or not, we find the leading ideas of St. Simon advocated in the "Sartor Resartus," published in 1831, that is some time after the St. Simonian doctrine had been delivered to the world; and we find special reference to St. Simon and his disciples. We find in it that an aristocracy of talent is needed; that religion is eternally necessary, but that the old religion was dead; that a new spiritual power was arising; and in "Past and Present" (1843), that the new era belongs to Labour; that not "Arms and the man, but Tools and the man," would be the burden of the human Epos of the new era.[3]

[3] Even the germs of Carlyle's Hero-worship, the eternal need of it and the eternal foundation provided for it in human nature, may be discovered in the "Doctrine de St. Simon:"—"Could you believe that the human race, after having so long experienced the respect which attracts the feeble to the strong, the admiration inspired in intelligence by genius, the love which joyfully devotes itself for the man in whose life the destinies of a people and of the whole world seemed involved; could you believe that mankind is for ever disinherited from these noble sentiments?" With which compare Carlyle:—"Only in reverently bowing down before the Higher does man feel himself exalted. . . . Know that there is in man a quite indestructible reverence for whatsoever holds of Heaven, or even plausibly counterfeits such holding. Show the dullest clodpole, show the haughtiest featherhead, that a soul higher than himself is actually here: were his knees stiffened into brass, he must down and worship." And, again:—"Nature has so cunningly ordered it that whatsoever man ought to obey he cannot but obey. Before no faintest revelation of the Godlike did he ever stand irreverent: least of all when the Godlike showed itself created in a man like himself." Hero-worship has always prevailed, does prevail, and will prevail. "This fact is the corner-stone on which

In the "Sartor Resartus," which contains the germs of all his future writings, we have, with much besides, his opinions on Religion, Life, and Society. With St. Simon, he perceives that Society is dying; that the old order is surely passing. But it is the death of the Phœnix which will result in a new and better Society, and as she dies she sings a "melodious Death-song, which ends not until are heard the tones of a more melodious Birthsong." Nay, the death of the Old Society and the birth of the New go on concurrently. But the process is slow, and it is not a happy but a disquieting age for a man to be born into. Perhaps, after two centuries of convulsion and conflagration the Death-Birth process will be finished, and man can once again find himself in a true and living society, rightly related to his fellow-man, and feeling himself once again in true relation to the Infinite.

all politics may stand firm to the remotest time" ("Sartor Resartus"). "It is the final fixed point, the everlasting adamant, lower than which the confused wreck of revolutionary things cannot fall, and from which they can begin to build themselves up again" ("Lectures on Heroes").

This is undoubtedly the doctrine of the St. Simonians, whose "one aim was to organize a power loved, cherished, and venerated" ("Doctrine de St. Simon"). But it is preached by Carlyle with a power and a fervour of conviction wholly unapproached by the St. Simonian sect. He has given it new arguments and illustrated it by historical examples, so as to make the doctrine his own. Moreover, with Carlyle, as with Comte, the spiritual and temporal powers are separated; for though he does believe that the truly able man is potentially able in all directions, that capacity is essentially the same, namely clearness of vision or insight—yet it takes two main forms, as the hero concerns himself with action or thought, with temporal things or things spiritual, things eternal, things of the soul.

For a true Society is impossible without Religion, which is, as it were, the inmost nerve-tissue which ministers life to the whole body politic, of whom Government is but the skin which protects and holds all together, whilst the labourers by hand or head are but the muscular and osseous tissues lying under the skin. Without Religion this same skin becomes a shrivelled pelt; Industry has only a galvanic life; and Society finally becomes a dead carcass deserving burial. Man is no more social, but only gregarious, a collection of discordant human atoms; and the return to anarchy and war of all with all would surely follow.[4]

Society is impossible without Religion; but according to Carlyle, as according to St. Simon, the old religion was dying, and the Church merely mumbled delirium prior to dissolution. A new priesthood will be required. The "new spiritual power" that St. Simon demanded, that Comte finds amongst the positive philosophers, Carlyle discovers amongst men of letters, in the high and true sense of the word; in true poets, true critics of life, men of understanding who know the meaning of life, thinkers who know the meaning and spirit of the age; not in "able editors," the writers of fashionable novels, or of the modern drama. He does not say in the "Sartor Resartus" who are to be rulers in the industrial sphere, but he tells us that only the labourer with his hand and the labourer for spiritual bread are honourable; in Government the truer ruler is the able man, the born hero who, in fact, all men in all ages are disposed to

[4] "Sartor Resartus."

obey. This is the ruler by divine right. And here is the adamantine social rock, at which revolutionary downpulling and destruction stops.[5]

In the "Past and Present" his ideas on the reorganization of Society are more fully expressed, and in particular on the Organization of Labour. Labour is great and honourable. It alone is. Let all men join in the grand army of Labour; even the Aristocrat, "he is so much needed." Let him find his place, let all men find their places at their peril. The future belongs to Labour. Giant Labour will yet be king. But the Giant was "blind" and stumbled. When he gets knowledge hitherto denied him, he will rise to the intrinsic dignity of his function. Carlyle, however, is the least of a system-maker. And his system, though clear enough when seen as a whole, has to be brought from his different works and pieced together. But he is an extremely powerful preacher, and by his figures he brings us to the concrete essence of the matter, which the abstract generalizations of the system-makers so often hide. Thus he shows us his type of an industrial leader in Plugson of Undershot—"The man with the grim brow," who is a natural leader of operative weavers and spinners. Plugson is a good leader, the right man in the right place: a man to be encouraged by Government and legislators, instead of permitting him to be "strangled in the partridge-nets of the landed aristocracy." He can command a thousand hands, and, wonderful thing, can find wages to pay them every Saturday night, if only he gets fair play. In fact there is great hope

[5] "Sartor Resartus."

of him as Captain of Industry; he is a man who "sees the fact," not a man of foolish words like the generality. But there is one sad defect which must be amended. He is a Mammon worshipper, and a materialist, much inclined to dividing unfairly with his workers the results of their united conquest over cotton-fibre. He is a Mammonist, and boasts of the number of scalps taken in the competitive business war. He is—for in order to emphasize his point, Carlyle goes into extremes—a buccaneer in search of gold, and he is given to the morality of the buccaneers. He would hardly distinguish between foreigners and his countrymen, but would send both alike to the bottom. Often he is a most unfair Captain of Industry. He takes the lion's share, dismisses his hands summarily, offering them "sixpence to drink his health." This will not do in the future. The Industrial chief is too well paid: and there should be permanent and higher relations between him and his nomad workers, instead of the existing relations of cash payment for hours of work, with short contracts to be summarily determined on either side. Society cannot go on with mere Mammonism in the masters and black mutiny and discontent in the hands; nor without mutual human love and loyalty.

The question of the Organization of Labour continually loomed larger with Carlyle up to the publication of the "Past and Present," after which he, to a great extent, avoids the question, contenting himself with denunciation of the existing social and spiritual order. Whether he had said all he had to say in the way of construction in the books already

named together with Chartism (1839), whether he was disheartened at the little practical results that followed his teaching, whether he began to perceive more clearly that changes in society must be slow, certain it is that after the "Past and Present" he took mainly to writing the biographies of two of his heroes, Cromwell and Frederick. No doubt he makes their doings the texts for preaching his old doctrine, and he may have wished to show how much better the heaven-born ruler can deal with all social questions than shifting Parliamentary majorities; that great men can better solve such questions, and are by their nature more inclined so to do. In the "Latter Day Pamphlets," he does take up a branch of the Social Question, namely, what to do with the Unemployed, and How to treat the Criminal classes, but the general question of the Organization of Labour is no longer treated. For the unemployed generally the Government should provide employment, exacting work in return, if need be by punishment—which is a step to a rigorous State-Socialism, not easily to be taken in England, and which, if taken, would necessitate further steps. The general tone of the book, indeed, is "flat despair": it is not construction but destruction that is chiefly in his mind. There is a furious assault delivered all along the line against society, its chief institutions, and its inmost spirit, moral and religious. One after another is assailed with a fury of attack and fervour of denunciation worthy of Isaiah or Jeremiah. The Pig Philosophy, Hudson's Statue, Model Prisons, the Stump Orator, are some of the titles under which he savagely satirizes our Utilitarian Philosophy, our

Mammon Worship, our foolish philanthropy, and our more foolish admiration for fluent, shallow platform speeches and Parliamentary oratory. Parliamentary Government, Law, The Church and its Overseers, Literature and its practitioners, Political Economy and its professors, all come in for a share of his scorn, and each comes up for a whipping. Never did a society receive such a scourging. What he would positively have he is not in a temper to tell us fully. But that he wishes much changed or removed is plain: above all our Parliamentary Government. And his last thought appears to be that nothing good can be done for our society until a second Cromwell with a troop of soldiers turns the Parliament out of doors, in the name of the Lord. As the Messiah of Hebrew prophets was always an individual who would rule with justice and judgment, so Carlyle believed that the spirit of wisdom and virtue could only be found in the one, and not in the many. It was the strong, single, unselfish, enlightened Will that was wanted. He did not believe in the "Collective Wisdom" as now gathered by foolish voters, nor yet much in the collective conscience of the collective wisdom.

The one strong man might effect much that was needed by capacity and courage, and his work might continue once it had received the consecration of established law and fact. Like a sort of earthly Deity, such a one would be above the selfish interests of faction, party or class. He would be the moderator and supreme arbitrator between contending interests. Above their prejudices, he alone could

see and do justice between class and class, as between man and man. In the absence of such a one there is nothing but clashing interests, becoming constantly more antagonistic until it must come, as in France, to a Revolution and a war of classes. Between us and anarchy there is but the policeman, a frail and unsure defence, which might at any time give way.

The idea that in the solution of the great problem of modern society more may be hoped for from the powerful single ruler than from a Representative body, with its chance and shifting majorities, which, in consequence, has no single will or connected principles of action, no continued policy, whose course, on important occasions, is subject to unpredictable accidents, and where the only motive force that can be calculated upon as sure and steady, is class self-interest tempered by fear, is significant, and may one day bear important consequences, especially if the working classes should become penetrated by it. It is an old idea that, temporarily submerged, has come up anew and is spreading. It was, as M. de Laveleye informs us in his work on "Contemporary Socialism," the notion of Lassalle, who, although Republican in principle, yet expected more for his Socialistic scheme from Prince Bismarck and the Emperor than from any Republican Chamber of Deputies, even though chosen by universal suffrage. An Imperial Socialism is always on the list of political possibilities in France; and it came near to being a reality under Napoleon III., who, at one time, seriously contemplated it. In Germany, there is at present a competition, a bidding for the favour of the working-man,

between the State Socialism of the great Chancellor and the Emperor, which aims at insuring the future of the working-classes ; and Revolutionary Socialism, that aims at confiscating land and capital ; and it is by no means certain that the majority will not close with the Chancellor's "bird in the hand."

In England, besides Carlyle, one other remarkable man, who, although he climbed to eminence by means of Party, yet always maintained a certain detachment from it, having within himself the better opinions of both parties, gave expression to ideas favouring Imperial Socialism. This was Lord Beaconsfield, who, in his political novel of "Sybil, or the Two Nations," which deals essentially with the Social Question, shows his sympathies with the working classes, and with the strong sovereign. "Two powers," he declares, "have been extinguished in England, the Monarch and the Multitude;" and he wishes them both restored. Nay even, during his remarkable career, more consistent throughout than detractors allow, he did something in the direction of restoring the power of both, in addition to widening the Conservative political creed. By outbidding the Liberals in his Reform Bill of 1867, he made Universal Suffrage a necessity, by which, rightly used, the multitude may once more become a power ; and at his instance the Queen of England assumed the style of Empress of India, which may in time imply more than a merely nominal extension of sovereign authority. In his novel of "Coningsby," he puts into the mouth of one of his characters his own preference for a strong monarch :—"The tendency of advanced

civilization is in truth to pure monarchy . . . . An educated nation recoils from the imperfect vicariate of what it calls a representative government." He thinks that the power of Parliament, and especially of the House of Commons, will not last. His ideal government is "a free monarchy, established on fundamental laws, itself the apex of a vast pile of municipal and local government, ruling over an intelligent and educated people, represented by a free and intellectual press," and not by a Parliament. The press would discuss and form public opinion which, in its active and administrative aspect should be concentrated in "one who has no class interests. In an enlightened age, this monarch on the throne free from the vulgar prejudices and corrupt interests of the subjects, becomes again divine." . . . "Before such royal authority, the sectional animosities of our country would disappear." Under the system "qualification would not be parliamentary, but personal," and the able and educated would occupy the commanding places, whether in the State, the Church, Diplomacy, or in the Military Service; all which put together, are strongly suggestive of St. Simonism.

But whatever be its actual future, the idea of the capable ruler, seconded by the best ability extant, with the spiritual power separated from the temporal, is the logical outcome of the St. Simonian doctrine. It is that to which it essentially comes when reduced to coherence, as it came with Carlyle, if we suppose him to have got his ideas from that quarter. It is the only form in which, as well as the only means by which, it could be made a reality, as indeed St. Simon himself

must have felt when he appealed to the king to take up his project. Cæsar, seconded by capacity, was the sole means by which it could have been introduced and maintained.[6]

IV.

ALMOST contemporaneously with St. Simon another Frenchman, Charles Fourier, was elaborating a different and, in the opinion of Mill, a more workable scheme of social renovation on Socialistic lines. The work, indeed, in which Fourier's main ideas are embodied, called the "Théorie des quatre Mouvements," was published in 1808, long before St. Simon had given his views to the world, but it received no attention until after the discredit of the St. Simonian scheme beginning in 1832.

Association is the central word of Fourier's as of St. Simon's industrial system. Associated groups of from 1600 to 2000 persons are to cultivate a square league of ground called the *Phalange*, or phalanx; and are likewise to carry on all other kinds of industry which may be necessary. The individuals are to live together in one pile of buildings, called the Phalanstery, in order to economize in buildings, in domestic arrangements, cooking, etc., and to reduce distributors' profits; they may eat at a common table or not, as seems good to them: that is, they have life

[6] Even Comte, whose economical conclusions are different from the St. Simonians, and who prefers a Republic, yet thinks that a Dictatorship might be temporarily necessary to install his scheme of Positive Polity.

in common, and a good deal in each other's sight; they do not work in common more than is necessary under the existing system; and there is not a community of property. Neither private property, nor inheritance, is abolished. In the division of the produce of industry, after a minimum sufficient for bare subsistence has been assigned to each one, the surplus, deducting the capital necessary for future operations, is to be divided amongst the three great interests of Labour, Capital, and Talent, in the respective proportions of five-twelfths, four-twelfths, and three-twelfths. Individuals, according to their several tastes or aptitudes, may attach themselves to more than one of the numerous groups of labourers within each association. Every one must work; useless things will not be produced; parasitic or unnecessary work, such as the work of agents, distributors, middlemen generally, will not exist in the phalanstery; from all which the Fourierist argues that no one need work excessively. Nor need the work be disagreeable. On the conrary, Fourier has discovered the secret of making labour attractive. Few kinds of labour are intrinsically disagreeable; and if any is unpleasant, it is mostly because it is monotonous or too long-continued. On Fourier's plan the monotony will vanish, and none need work to excess. Even work regarded as intrinsically repugnant ceases to be so when it is not regarded as dishonourable, or when it absolutely must be done. But should it be thought otherwise, there is one way of compensating such work in the phalanstery—let those who perform it be paid higher than other workers, and let them vary it

with work more agreeable, as they will have opportunity of doing in the new community.

In Fourier's scheme, it may be noted, there is no place allowed for domestic servants; there will be no need for private cook, kitchen-maid, parlour-maid, in the phalanstery. The services now rendered by such will be rendered for the good of all, and each will have to contribute his or her special service in return in the new life. The present man-servant and maid-servant, the groom, valet, maid, and maid-of-all-work can be dispensed with; you can brush your own coat, groom your own horse (if you are fortunate enough to have one), nay, you can brush your own boots, and your wife and daughter (if such relations exist in the community) will be all the better and happier, in Fourier's opinion, if they have a little scrubbing and washing to do; it will be good for the nervous system, and will exorcise ennui and hysteria. Certainly, whosoever joined the community would have to give up a good deal, if not also wife and children and lands, for the gospel's sake. But as full return they were assured by Fourier of happiness.

And this raises the interesting and important question of the Family and the relations of the sexes in the model community. Some laws must be laid down on this cardinal point, some principles must be acted upon. What were they? Apparently, with Fourier, the fewer rules the better. It is a fundamental principle with him that the misery and discord of the social world come from checking and thwarting natural passions and impulses. Nature intended them all to be gratified. They shall, in the phalan-

stery, have free play under the "Law of Passionate Attraction," which he claims to have discovered—

> "There the passions, cramped no longer, shall have scope and breathing space,"

and the results will be something the world has not yet seen, for certainly the tendency of these doctrines is not in the direction of "One man One wife," or the indissolubility of the marriage bond. On the contrary, its tendency, as the philosopher knew, and probably desired, is in the direction of free love and the community of wives, as is likewise the life in common and the absence of separate households. But whoever goes thus far, should go one step further, and abolish inheritance and private property. There would then be thorough-going and consistent Communism, and it would at least be an interesting social experiment to see how it would work.

According to Mill, "whatever may be the merits or defects of these various schemes, they cannot truly be said to be impracticable. No reasonable person can doubt that a village community composed of a few thousand inhabitants, cultivating in joint membership the same extent of land which at present feeds that number of people, and producing by combined labour and the most improved processes the manufactured articles which they required, would raise an amount of production sufficient to maintain them in comfort." And of the several forms of Socialism to which he refers, he thinks Fourierism the most practicable, "the most skilfully combined, and with the greatest foresight of objections."

Now when Mill affirms that Fourier's scheme is not impracticable, he is only contemplating it from the economical point of view, because from the social and moral and general standpoint it is demonstrably impracticable; and to prove it practicable in one aspect, while other aspects equally essential are not considered, is nothing to the purpose.

But now let us consider it from the politico-economic point of view. There is no doubt, as Mill says, that Fourier's community, if it had the necessary land and capital to start with, would be able to support itself, and probably in comfort. It would be self-supporting and self-sufficient, like the Indian village community of past times. It would support all its members, and there would be no paupers or lack-alls. And if all France were organized industrially on the same model, there would be the same general level of comfort throughout. There would be a standard of comfort, not high, but respectable, attained by all. The problem of poverty would be solved, and there would be a pretty general equality likewise.

But there is a great quantity of human labour required under Fourier's scheme to realize this not very high result. With 2000 persons, the large system of production which so greatly increases the produce in proportion to the labour, would not be possible, and there would in consequence be a great economic loss. It would take half of Fourier's phalanstery to work a modern cotton or silk factory; and that half could probably make what could be exchanged for a greater sum of produce than the whole would turn out if employed partly in agricul-

ture, and the rest in twenty or fifty petty handicrafts as contemplated by Fourier. There would simply be a great waste of labour. The present system produces as great result with half the labour, and the capital need not be more to begin with. Fourier's project was conceived with reference to a system of industry that was rapidly disappearing when he wrote, and which is now almost entirely superseded in the spheres of manufacturing production, and largely in the distributing and carrying businesses. The scheme was more plausible when first put forth; but when Mill wrote, the industrial revolution was all but complete.

I do not say that there might not be exceptional cases in which the idea of Fourier might yet be tried; but merely that it could not be made general as Fourier intended it to be. Now Mill in his criticism must also have regarded it from the point of view of its universal applicability; since he is avowedly considering both Fourier's and the St. Simonian scheme as possible substitutes for the existing order? He should therefore have estimated the economic results of both; since in a treatise on Political Economy that is the first consideration, and all his own arguments as to the advantages of the large scale of production in facilitating division of labour, allowing for large labour-saving machinery, etc., can be employed to prove that a nation covered with phalansteries or village communities would be a poor nation, even allowing for some economic gain by the life in common. It would be poor in results, or for any purpose beyond the provision of a coarse material comfort universalized.

Now the present system gives us, if not quite this, amongst the lower classes, yet something near to it, while in addition it is able to tell off a large number for immaterial labour, art, science, letters, philosophy, and very many more to "do nothing gracefully," if it so pleases them: the last not altogether a good result, but with possibilities of good contained in it, and the worst of the evils curable at less cost than a universal life in the phalanstery would involve.

Mill further desired that the different schemes of St. Simon and Fourier should have an opportunity of trial. To this it may be said that at least Fourier's system has had opportunities of trial, and it has invariably failed. Though even if it had had a partial success, this would not have been a conclusive argument against the much stronger and demonstrative economic argument. Fourierism has been tried more than once on the Continent. It was also tried in America in a celebrated experiment, of which Nathaniel Hawthorne speaks in the "Blythdale Romance," in which reasons other than economical are shown against it. Even if it had not rashly innovated with regard to the family, it was bound to fail. Economically, perhaps, it might have been partly possible in 1808, when Fourier first wrote, before the large production had extended itself, though even then the millions of scattered small farmers and proprietors would with difficulty have been induced to give up their homesteads and their family life for the barrack-life, and no privacy of the phalanstery.

There is perhaps one case where the phalanstery or

village community, its nearest realized type, might still be possible, without involving much permanent loss. It might prove a refuge for the unemployed (not likely to be again employed), for the temporarily unemployed, composed of agricultural labourers and artisans, and for those only casually employed, provided, that is, that they would be willing to go to it voluntarily. But one can see that these are not promising materials for our village community ; it would not be an ideal one by any means. Even including agricultural labourers and such artisans as might be willing to take their fortune for a period in it (who would not be of the best kind), it would not be very successful economically. Still they might, under certain conditions, make a living in these villages of refuge, spare the public rates, and save to some extent their own dignity. And something resembling the above, though not modelled on the phalanstery of Fourier, seems to have been the village contemplated and recently described by the Rev. Mr. Mills as a refuge for the unemployed, as well as for the recipient of out-door relief and the casual labourer.[7]

There is, however, this further to be said : that if a self-contained, self-sustaining village community would be good, one that did not produce all it needed, but bought from the outside and gave its best products in exchange might be better ; from whence it would follow that it might be better to have an association mostly of agricultural labourers, or a mainly agricultu-

[7] For a fuller consideration of Mr. Mills' scheme, see Chapter XI.

ral village with good farming machinery ; the clothes and some other necessaries being bought where cheapest. It could give some employment, no doubt, to inferior artisans, as shoemakers and carpenters, and the like. To this extent, perhaps, the village community might be restored, but it would always be in a state of unstable equilibrium, unless the new recruits were enlisted for at least a twelvemonth without the power of leaving it. This, no doubt, would be a sorry ending for the phalanstery, which was announced with confident gravity by the founder as the one means, without doubt, of making labour attractive, mankind happy, and of introducing once again the Golden Age. To come to a sort of semi-pauper, semi-penal village community without the Fourierist Palace in the centre, would be a lowering of the phalansterian flag. Or if the palace be insisted on, we shall have a building, half barrack, half workhouse, in which the resemblance to the latter would be only too painfully marked.

V.

THE phalanstery shocked and went to pieces on the large system of production, with which it is incompatible. Universalized, it would impoverish a nation, besides being otherwise impracticable. On the other hand, St. Simonism would destroy individual liberty, would weight the State with endless responsibilities, and the whole details of production, distribution, and transportation. It would besides be a despotism if it could be carried out, and not a beneficent despotism,

considering the weakness and imperfection of men. So objected Louis Blanc to St. Simonism, in his "Organisation du Travail" (1840), whilst bringing forward a scheme of his own, which, he contends, would be at once simple, immediately applicable, and of indefinite extensibility; in fact a full and final solution of the Social Problem.

The large system of production, the large factory and workshop, he saw was necessary. Large capital, too, was necessary, but the large capitalist was not. On the contrary, capitalism—capital in the hands of private individuals, with, as a necessary consequence, unbounded competition, was ruinous for the working classes, and not good for the middle classes, including the capitalists themselves, because the larger capitalists, if sufficiently astute or unscrupulous, can destroy the smaller ones by under-selling, as in fact they constantly did. His own scheme was what is now called co-operative production, with the difference that instead of voluntary effort, he looked to the State to give it its first motion, by advancing the capital without interest, by drawing up the necessary regulations, and by naming the hierarchy of workers for one year, after which the co-operative groups were to elect their own officers. He thought that if a number of these co-operative associations were thus launched State-aided in each of the greater provinces of industry, they could compete successfully with the private capitalist, and would beat him within no very long time. By competition he trusted to drive him out in a moderate time, and without shock to industry in general. But having conquered the capitalist by

competition, he wished competition to cease between the different associations in any given industry; as he expressed it, he would "avail himself of the arm of competition to destroy competition."

The Government, being the founder of the "social workshops," would draw up the statutes which, deliberated on and voted by the national representation, would have the form and power of law. The Government having regulated the hierarchy of functions for the first year, thereafter when the labourers had learned each other's powers from daily contact, and being deeply interested in having the best superiors, "the hierarchy would issue from the elective principle."

The net proceeds each year would be divided into three parts: the first to be divided equally amongst the members of the association; the second to be devoted partly to the support of the old, the sick, the infirm, partly to the alleviation of crises which would weigh on other industries; the third to furnish "instruments of labour" to those who might wish to join the association, so as to allow of an indefinite extension of the principle.

Each association might also have affiliated to it groups of subordinate workers in connected industries, forming different parts of one whole, obeying the same laws, and deriving the same advantages.

Every member might spend his salary as and where he pleased; but the "evident economy and incontestable excellence of the life in common would give birth to voluntary association for wants and pleasures," and thus the better part of Fourier's scheme would be realized.

Capitalists would be invited into the associations, and would receive the current rate of interest at least, which interest would be guaranteed to them out of the national budget; but they would only participate in the net surplus in the character of workers.

The struggle with private capital would not be long, he thinks; because all the co-operators would have the economic advantages of the life in common, and a great stimulus to produce quickly and well. Nor would the struggle be subversive; because the State would be always present to mitigate the effects of it, and could prevent the products of the social workshop from being offered too cheaply. The co-operators would not act like the strong competitor under the existing régime, who sells at half the price of his competitors, "to ruin them, and remain master of the field of battle." The Government would not be a party to such tactics; and thus the final industrial war between the associations and private enterprise would be shorn of its most disastrous feature for the conquered. There would be no sudden ruin for the private capitalists; they would merely be slowly but surely defeated; and they would soon come to recognize the fact. There would be for the first time "a healthy competition." At present, when the great capitalist declares war on the little capitalist, it is generally accompanied by "fraud, violence, and all the evils that iniquity carries in its train;" but the war between association and capitalism would be carried out "without brutality, without shocks, and with as much clemency as would consist with attaining the desired end, namely, the absorption, successive and pacific, of

individual workshops by social workshops.' He is sanguine that wherever a co-operative factory or workshop would be established, labourers and capitalists alike would go and purchase from it. At the end of a certain time the associations would infallibly remain masters of the field. The State, through the associations, would render itself supreme little by little, and as final result there would be the defeat and extinction of competition, not monopoly, but universal association. The best part of the ideal of the St. Simonians would be realized without a State despotism; because after the first year the *rôle* of the Government would be limited to superintending the maintenance of the connection of all the grand centres of production of the same sort, and to preventing the violation of the general principle of the common regulations. After the defeat of the private capitalist all associations in the same field of production would merge competition amongst themselves; because it would be absurd, having killed competition between individuals, to permit it amongst the associations.[8] On the contrary, in each sphere of industry there would be a large central association with which all the others would be in connection as subordinate branches; just as M. Rothschild has a principal seat for his banking operations, which is in connection with less extensive branch concerns.

The mechanism, M. Blanc argues, is simple in the extreme. Simpler than the postal system, which yet worked so well. There are divisions and subdivisions

[8] "Organisation du Travail," p. 125.

in the postal service, but one common mechanism and one aim. There is no competition, as there might have been had it been left to private enterprise. It cannot be impossible for the labourers in a given industry to act "avec ensemble" for a common end in a country where one man for twenty years moved simultaneously a million of men animated by his single will. If the forces of destruction could be thus organized, so surely may yet be the forces of production.

Thus there would be established the solidarity of interest of the workers in one industry, whether weaving, mining, iron-founding, or any other. It would then be necessary to establish a solidarity of interests amongst the workers in all spheres. The State would aid, from the overplus in one industry, others that might be depressed. Crises would become rarer, because they are products of the present cruel system. They would no longer arise from internal causes—causes generated at home by competition—they could come only from external causes, which treaties of peace and alliance would largely counteract, if only for the present bad scheme of foreign politics and mischievous diplomacy with its false aims there were substituted a true system founded on the necessities of industry and the reciprocal conveniences of the labouring classes in all parts of the world ; a system which, as an international understanding in the interests of labour, will be the foreign policy of the future.

Finally, if the State does not resolutely take up the question of the reorganization of industry on these lines, the existing industrial anarchy will go on ; but

the existing social order cannot last; it is giving way on all sides. The whole social edifice is cracking in all directions; and it will fall one day in terrible ruin on all of us, if the evil signalized is not dealt with in time by the State.

Such was the scheme of Louis Blanc, which, in 1848, when member of the Provisional Government in France, he had the opportunity, rarely granted to the social system-maker, of partially trying in practice. He was allowed to establish a number of associations of working men by the aid of Government subsidies.[9] The result did not realize expectations. After a longer or shorter period of struggling, every one of the associations failed; while, on the other hand, a number of co-operative associations founded by the workmen's own capital, as also some industrial partnerships founded by capitalists, on Louis Blanc's principle of distribution of the net proceeds, were successful. M. de Laveleye argues that the cause of the failure of Louis Blanc's associations was simply the State assistance, which paralyzed or prevented the formation of the qualities absolutely essential to permanent success, namely, energy, foresight, the spirit and habit of saving—qualities implied in self-reliance, but which reliance on the State, or on any outside

[9] I do not refer to the *ateliers nationaux*, which were not countenanced by Louis Blanc; but to certain associations of working men who received advances from the Government on the principle advocated in his book. There were not many of these at first. L. Blanc congratulated himself on being able to start a few: after the second rising the Government subsidized fifty-six associations, all but one of which had failed by 1875. See Laveleye's "Socialism of To-day," p. 73.

support, invariably weakens. And Professor Cairnes appears to be of the same opinion as to the tendency of State Help, as compared with self-reliance. If, he argues, men can get capital provided by the State as often as needed, why should they save, why work hard, or take pains to turn out good work? The very springs of economy, of effort, and of excellence are stopped, and in the opinion of all the enemies of State help, there would be a competition, taking men as they are, not to do most and best, but least and worst, which would be nationally disastrous, unless the nations competing with us adopted the same suicidal system.

Without, for the present, further examining the soundness of this view, we have merely here to note that the social workshops in Paris aided by the State all failed by degrees, as did, likewise, the co-operative efforts in England, started and patronized, and partly propped up, by philanthropic endeavours. But what is more remarkable, and what requires a different explanation, is the fact that the self-reliant attempts at co-operative production made at Rochdale as well as other places, even when started by the workers savings, have likewise generally failed.

The system of Fourier failed because it was unsuited to our modern minute division of labour, the employment of extensive machinery, and large production; because economically it was weak, and morally it ran counter to the instincts of human nature. The Phalanstery, like the dying Village Community or the House Communities of the Slavs, was retrograde. The St. Simonian system cannot be said to have

failed, because it has never been really tried, nor could it easily be, considering its vastness and all-comprehensiveness.[1] Its weakness as a scheme is that it could not be tried on a small scale, nor at all, without putting all to hazard. It is an ideal that might be slowly approximated to, but as a scheme it could only be fully tried by a despot or a dictator, like Napoleon. We can readily believe that, had it been tried by such an one, it would have failed, for the opposite reason to that which necessitated the failure of Fourier's scheme, namely, because it was premature. Fourier's scheme failed, St. Simon's scheme remained an ideal.[2] Louis Blanc's scheme, a sort of middle between the two, so far as tried, failed, and we can see reasons for its failure. But for voluntary co-operative production, the most carefully guarded against objections, which seemed to comply with all economic conditions, which had passed, so to speak, all the economic doctors—Mill, Cairnes, Fawcett, Thornton—we should surely have expected *à priori* a better fortune. What has been the cause of its failure?—for failure it is, since, as regards this social question, not to advance, or to advance so slowly after so long, is to fail. Before attempting to answer this question, it will be well to consider briefly the opinions, economic and social, of John Stuart Mill, the principal advocate of Co-

[1] It is, in fact, the St. Simonian scheme without the rulers, temporal and spiritual—without the aristocracy of capacity, and with the election of officers from beneath by vote, and not from above, that the existing Socialists wish to see attempted.

[2] Except so far as Bonapartism was a *partial* application of it.

operative Production in England, and a man who, by his sincerity, his wide sympathies, his love of justice, as well as by his powers as a writer, his clearness of thought and of exposition, his wide knowledge, and common sense, has done much to advance the cause of Democracy, as well as to prepare the soil for the reception of Socialistic ideas.

VI.

In his "Principles of Political Economy" (1848), Mill discusses Communism and Socialism, as they then presented themselves to him, in a broadly catholic and impartial spirit. Whether Socialism or private property, reformed and purified, will hold the future depends, he thinks, on which of the two affords the largest space to individual liberty, which, next to meat and drink, is the greatest need of man, and which, unlike the others, tends to increase. At the same time, the present system reposing on private property will last a very considerable time, and, if it were only freed from its worst features, would have much on its side. He shows us the kind of reforms that he desires, and it is significant to note that they mostly tend in a Socialistic direction, viz. legislation to promote greater equality of fortune, limitation of the rights of private property and of inheritance, the abolition of certain kinds of property. In 1848, the date of the publication of his book, a due mixture of the two systems of Socialism and Individualism was his ideal, and one both philosophical and practical.

In 1869, the year of the Congress of Bâle, when

Socialism, having been prosecuted in Germany, had again become militant, and had submitted an advanced programme recommending the nationalization of land and capital, Mill once more returned to the question of Socialism as the most important one of the future. He even contemplated writing a book upon the subject, which, unfortunately, he did not live to finish. Happily, though without all his arguments, we are able to gather his main conclusions, which, however, might have been qualified if he had lived to complete the work. There is not a great advance in his theoretical opinions. The Socialists' indictment he thinks grave and terrible, if true. Though it contains much truth, it is exaggerated. Competition is not an unmixed evil, as the Socialists picture it. It does, however, lead to some evils. In other respects it works altogether for good, and gives workers high wages, just as it sometimes does low wages. The notion of property must be altered in the Socialist's direction. All through history the notion has been subject to change. The capitalist is not a confiscator. He gets his profits on his capital, only on condition that the circulating part of it is given to the workers. He never touches the circulating part, save to give it to them (*Fortnightly Review*, 1874).

It cannot be said that we have here any great doctrinal change on the whole. His merit is that he tries to hold the scales impartially between Capital and Labour; and as he was an undoubted friend of the working classes, as well as a scientific seeker for the true and good, his words will be likely to have weight with all classes.

In his 'Autobiography" he says that the views which he and his wife had come to share would entitle them to be classed "under the general designation of Socialists." And this, though not quite a death-bed confession of faith, yet, as it was written late in life, and intended for the world after his death, must be taken to express his final opinion. He there says: "While we repudiated with the greatest energy the tyranny of society over the individual, which most Socialistic systems are supposed to involve, we yet looked forward to a time when society would no longer be divided into the idle and the industrious; when the rule that they who do not work shall not eat will be applied not to paupers only, but impartially to all; when the division of the produce of labour, instead of depending in so great a degree, as it now does, on the accident of birth, will be by concert on an acknowledged principle of justice; and when it will no longer either be, or be thought to be, impossible for human beings to exert themselves strenuously in procuring benefits which are not to be exclusively their own, but to be shared with the society they belong to." Professor Cairnes, indeed, thinks that these views would not entitle him to call himself a Socialist, because he does not advocate "the employment of the powers of the State for the instant accomplishment of ideal schemes, which is the invariable attribute of all projects generally regarded as Socialistic." Now, as matter of fact, I believe that few Socialists at present do look for "the instant accomplishment of ideal schemes" by the aid of the State; certainly even Louis Blanc did not expect that his scheme would

be instantaneously accomplished, while Lassalle, who also appealed to the State, did not expect that the desired Social transformation could take place inside two centuries. However, not to press the word "instant," and letting "Socialism" stand for the more or less gradual accomplishment of ideal schemes by State aid, which is what it generally does signify, Mill certainly was a Socialist, even before writing the "Autobiography." In two remarkable paragraphs in different places in his work on Political Economy he gives us his ideal:[3] the chief feature in which is the limitation of inherited fortunes to a moderate competence. He sketches the leading features of Society under his ideal, which he thinks would form a great improvement on the present system. He does not think that this better state could be realized at once, or until mankind were morally improved. But he regards it as an ideal to be striven for, and one that can be brought about in the main only by the State. And as steps towards it, practicable even at the time, he recommends an increase in the land tax, the reversion to the State of future unearned increments in the value of land, and an increase in the taxes on inheritances and legacies. So that Mill must be regarded as having been then a Socialist, and a State Socialist. Only he is a Socialist that expects his ideal to be realized slowly—that is, he is a practical and sensible Socialist, and neither Utopian nor revolutionary.

As regards industry, his ideal is Co-operative Pro-

[3] "Political Economy," pp. 139, 140 (People's Edition), also pp. 454, 487.

duction—the same as that of Louis Blanc, with this difference, that he does not in this case look for the help of the State, and probably because, as he says, those associations that relied on the State were less prosperous than those that relied on themselves, on their own savings, and the small loans of sympathizing fellow-workmen. Like Louis Blanc, he expected much from the principle of associated labour; and he prophesied that the relation of employer and employed would be gradually superseded by partnerships in one of two forms: the first in which the workers will share profits with the master; the second in which the workers will all be partners, the master being replaced by an elected manager. The first is profit-sharing. It is the second form, or Co-operative Production proper, that must be expected to prevail in the end; and he thinks that time nearer than people in general imagine. Private capitalists, as many as remain, will gradually make all their workers sharers in profits. And so with the associations of labourers; for it would never do for themselves to employ hired labourers while trying to break down the principle of hired labour. He thinks with Louis Blanc that these associations would tend more and more to absorb all workpeople, except those who have too little understanding, or too little virtue, to be capable of learning to act on any system other than that of narrow selfishness. The capitalists, thus finding only bad workmen left with them, would soon begin to think of giving up a hopeless struggle; they would lend their capital to the

associations; but they would have to do this at a diminishing rate of interest, and at last accepting the inevitable with the best grace, they would "most probably exchange their capital for terminable annuities." Thus slowly and quietly by euthanasia would pass away capitalism and the once mighty capitalist, and co-operative production would reign supreme in the industrial world.

Such was Mill's prophecy in 1848. It was a sanguine time. Louis Blanc, as we have seen, expected the like issue in the competition between the private capitalists and the co-operative groups. So also did Charles Kingsley, another determined enemy of capitalism and the "Manchester School." So also did Thomas Hughes and Mr. Holyoake, two veteran co-operators, whose faith has hardly yet failed them, and who in 1887 celebrated the Jubilee of co-operation.

But the prophets, including Mill, were reckoning without their host, the capitalist. They knew neither the vast strength and resources of the private capitalist, nor the capacity of development in capitalism, nor, on the other hand, did they know the latent weakness of co-operation. With a light heart Mill proposes the removal of the capitalist, the keystone of the whole system of modern industry, which, if there is anything in the science of society and the doctrine of social evolution, is about as possible in our time as it would have been possible in the days of Feudalism to dispense suddenly with all the feudal chiefs. What has been happening ever since, the really remarkable evolution since 1848, has been quite a different

thing ; not the extension of co-operative associations and the simultaneous extinction of the capitalist, but the extension of limited companies, composed of many small capitalists, and the transformation of large private concerns into limited companies, in which the large capitalist sits secure at the centre, holding the greatest portion of the shares. In fact, the capitalist has strengthened his position and consolidated his empire by having so many smaller allies and defenders. Companies new, and ever more companies, occupy the field of industry and of enterprise. The associations for co-operative production have not extended relatively. They have hardly even increased in absolute numbers within the past forty years ; but have rather declined, at present there being only a few instances in England of successful effort of the kind ; though in France and Germany there are a large, though not a relatively large, number.

The capitalist, a strong and self-reliant man, was laughing inwardly, whilst the prophets and economic doctors were composedly compassing his death. None knew better than he how little there was in co-operation and how little threatening it really was to him. He knew well that unless the associations had great money resources, he could at any moment starve their profits by underselling. He kept his counsel. He rather encouraged the co-operative delusion. It sent the friends of the working-class on a wrong road, where their meddling was of much less concern to him. It left him alone for a time, and it served to let off sentimental steam, which might otherwise

have got Parliamentary Commissions of inquiry into his practices. Whilst the friends of co-operation preached self-help to the workers, he knew he was safe, that he had a long respite. "With their pitiful resources we can at any moment blow them out of the waters, if there is ever any necessity for it, which there will not be so long as they depend on themselves for capital. Let us leave them alone; waste no effort or talk on them. The inherent weakness of the idea will cause its failure, and then we shall hear no more of it. Even if it drags on a protracted and puny life, it will serve us rather than otherwise. It will keep back proposals more seriously touching our position. It will occupy the philanthropists and some of the social projectors; meantime we shall be left alone, and we can strengthen our weak places."

So ran the tenor of the capitalist's reflections, and on the whole he was right. As matter of fact, while co-operation did not make way, capitalism enormously extended itself. New forms of rich men appeared. In addition to the earlier rich types, the manufacturer, the great brewer, the banker, the coal-master, the iron-master, the great contractor, there came new ones, producing, distributing, financing. The skilful "cornerer" and operator appeared. New hands of monopoly were placed on things necessary or in excessive demand. New forms of monopoly—rings, pools, syndicates, and trusts—with developed artifices and methods, appeared. The financier expanded his province and branched out into new types, especially in America, where he had a golden chance in

the extension of railway and other large enterprises requiring much borrowed capital. Speculation extended, and was reduced to a fixed science by the speculator. The Company "limited" became universalized, and the company-floater found his chance whether the company succeeded or failed. The manager of the successful companies flourished, as did the directors. New and well-paid parasites on the fruits of industry, and new middle-men found a place for themselves, though smaller ones were extinguished by the growth of the large system.

All the interests of the different kinds of capitalists were *solidaire*, far more so than those of the landowners in their day of power. They controlled the Parliament largely; the press largely; the loanable circulating medium of the country and of the world largely. Whatever is a power in modern times they controlled. This, then, was the mighty interest threatened by Mill's scheme of co-operation,—for with the downfall of the great producing capitalist most of the other sorts would have been involved with him. And there is no doubt from the words of Mill and Louis Blanc that they were intended to be dethroned. Thus an enormous and exceedingly powerful interest would be dislodged, and in fact a social and industrial system subverted, by, the success of co-operation, a thing, as all history teaches, not easy to effect; and this alone would almost account for the slow progress of co-operation, were there not also wanting certain moral qualities to be adverted

to hereafter, without which success would be impossible.[4]

NOTE.—In the preceding historical review it may appear that less than justice has been done to our own countryman, Robert Owen, who has been sometimes described as "the founder of English Socialism," as well as the initiator of the co-operative movement. The truth is he is not entitled to either name. Owen was a communist, whose scheme, though bearing some resemblance to Fourier's, yet differs essentially from it in proposing the rule of equality in distribution and the abolition of private property; that is to say, it differs in being still more impracticable. Neither can Owen be rightly regarded as the founder of co-operative production, though it is possible that his failure to found a successful community in America may, by narrowing the field of experiment, have prepared the way for the more special attempt of co-operative production, and that his great and disinterested efforts to introduce Communism may have prepared the minds of the English people for the milder Socialist movement of 1848. The chief result of Owen's life, apart from the high example set of philanthropic endeavour, was, in fact, a negative one: not the founding of Socialism, but the demonstration once again, and by actual experiment, of the impracticability of communism.

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[4] For the reason given I cannot agree with Professor Cairnes ("Leading Principles of Political Economy") that the difficulties in the way of co-operation are chiefly moral. Still less do I agree that co-operative production of the voluntary kind is the sole outlook for the working classes, the assertion of a single exclusive specific being now rather regarded as savouring of the social empiric. I think, too, that the moral difficulties are greater than he supposed; and, moreover, would require so long a time to overcome, that successful co-operative production would come too late, so many other possible developments having taken place meantime in the industrial sphere.

CHAPTER IV.

THE NEW SOCIALISM AND ITS ARGUMENT.

I.

AFTER the memorable year of 1848 it seemed as if Socialism were dead, and the middle classes in France, for whom it had seemed a menace, rejoiced. It had shown itself dangerous and subversive in its forms, and so far as actually tried in peaceful fashion, according to the scheme of Louis Blanc, it had not succeeded, but failed. In England, too, the various attempts made at co-operative production had failed. Socialism became discredited. Soon people ceased to speak of it, save as a thing of the past, as a strange and eccentric rising against the natural course of things. The several systems of St. Simon, Fourier, Louis Blanc, were relegated to the philosophical museum for abortive social systems, or those merely fanciful, like Plato's "Republic" and More's "Utopia." Socialism, it was thought, was dead, and the old society breathed freely once more.

Its peace was of short duration. In 1862 the spectre of Socialism again appeared. Nay, it seemed living, breathing, endowed with a larger life and greater vitality than ever. A new Socialist crusade

was preached, and this time it was Germany, as before it had been France that had the honour of leading it.

The third crusade was preached by Lassalle, but the inspiration came from Karl Marx, both of that Jewish race which from the time of Moses and the Prophets had shown strong Socialistic tendencies as well as others as strongly individualistic. Marx, the founder of the new Socialism, had no new social system; he brought merely a new argument into the controversy.[1] He undertook to prove that the capitalist was a spoiler and a robber, though not to blame for it, because he was only a part of a necessary social evolution, in which he found himself, without consciously contributing to make it. He was merely born part of a bad social system. According to Marx, we can do little to mend it. Society must slowly go through its successive stages: all that can be done by philosophers or statesmen is to abridge a little the process, and to facilitate the incoming of the next and better stage: to "lessen the birth pangs." It is a matter of evolution, and revolutions in the old violent sense are of little use, save that they may come in as necessary and useful crises in the course of evolution. But it is not they, but the total evolution that really effects the social transformation.

Nevertheless, it is important to have clear and true knowledge in order to make the right and necessary course clear, in order to facilitate the new birth.

[1] Even his argument is not altogether original, being largely based on ideas of Rodbertus; which, however, are more fully developed and illustrated by Marx.

Whatever be the fatality in the course of evolution, it is well that they who wish the change should have morality and right on their side. And to prove that they have Marx has written a History of Capital in its past stages of growth ; and he submits capitalism, as at present existing, to a long and laboured criticism, and as the result of the history and the criticism, he thinks he has clearly shown that capital is the result of confiscation from the working classes. For hitherto this had been rather assumed by the St. Simonians and by Louis Blanc and Proudhon than attempted to be proved. In order to prove it Marx goes on the right and only method. He goes to history and economic science, which had been neglected by preceding Socialists ; and in his theory of value he adroitly turns their own guns against the orthodox economists and capitalists. He accepts the doctrine of Adam Smith and especially of Ricardo, that labour is the sole source of value, and undertakes to show from it that capital must be the result of spoliation.

Now, if Marx could establish his theory that capital is robbery, he would have contributed a powerful argument in favour of Socialism. For men, so long as they even pretend to be moral beings, and to have any regard for justice, could not go on acquiescing in a system thus shown to run counter to their current ideas of morality and the precepts of all religions. Marx would have created a powerful diversion against the existing capitalist system. He would have effected a fatal breach in the fortress of capitalism ; and it would be only a question of time when it would collapse ; for, as Professor Sidgwick says,

"The conclusions of economic science have always been supposed to relate ultimately—however qualified and supplemented—to actual human beings, and actual human beings will not permanently acquiesce in a social order that common moral opinion condemns."[2] Moreover, if men are Christians as well as moral beings, and really believe what they profess, they could not acquiesce in a system of organized plunder and oppression for their profit; nor could we suppose their spiritual guides would acquiesce in it. If, then, the existing system were condemned by morality, and religion threw in her weight against it as well, the system would be doomed. The battle of Socialism—if Socialism were practicable—would be won. It is for these reasons that Marx's indictment against capitalism and his argument to prove capital the result of spoliation are deserving of serious and careful examination.

I have said that Marx had no peculiar system, but only an argument. The truth is that he set out from the communism of Louis Blanc. In 1847 he published, in conjunction with F. Engels, a manifesto of the German communists,[3] in which is advocated the abolition of private property, the establishment of a single centralized State bank, associations of agricultural labourers, together with the carrying on of all industry other than agricultural in national factories, which is simply the scheme of Louis Blanc.

The manifesto affirms that the ideal could only be

[2] Sidgwick's "Principles of Political Economy," 2nd Ed. p. 501.

[3] Laveleye's "Socialism of To-day," p. 148

attained by a violent revolution, and it adds, "that the transformation of society would not take place according to the preconceived ideas of any reformer, but on the initiation of the entire labouring classes" —whatever the last vague clause may mean, which is both mysterious and partly contradictory to the preceding, because the "preconceived ideas of reformers," and in particular those of himself and of Louis Blanc, are laid down as at least general goals.

In 1864 Karl Marx founded the International Society, intended as a sort of universal Trades' Union, aiming at first, as M. de Laveleye says, at "raising wages; but later on, when the influence of Marx was overridden, at a transformation of society, if needs were, by revolution." The first manifesto of the International, conceived by Marx, points to co-operative production as the goal, but says that an understanding among all the workmen of all countries will be necessary. Now one sees that to make strikes and combinations effective, there should be an agreement amongst the working classes to support each other; e.g. that if the workers in any branch of production in England should strike, foreign workers should not come over from Belgium or Denmark to take their place; for if they do, the capitalist could defy his hands at home. One also sees how, if there were funds subscribed by all, a part could be transferred to any given place in any country to enable a local strike to resist. This we can see; though it was somewhat Utopian to expect that such a plan would long continue. We do not see how an international understanding is needed to realize co-operative pro-

duction, except, indeed, so far as the capitalist might, if foreign cheap labour were imported, sooner starve the co-operative producers by underselling. But for this purpose an understanding of mutual interests, without the founding of a society with subscriptions, would seem sufficient. Or the workmen in each country might agitate till they forced their Government to forbid the importation of cheap foreign labourers.

Marx had, at the commencement of his career, urged the necessity of the working men getting first their political rights, in order to make their influence felt in the State, which was also the idea of Louis Blanc, as it was of the leaders of the English Chartists. But in the International Congress at Brussels in 1868, it appears that the Congress repudiated State action. If so, either Marx's influence and ideas were discounted, or he had changed his views. By making their influence felt in the State, he thought in 1864 that beneficial legislation might be secured for the working classes, and that gradually, without revolution, co-operative labour, without the capitalist, might be introduced. After the Congress of 1873 Marx retired into private life to finish the second volume of the book that has made him famous—"Das Kapital,"[4] in which whatever may have been his previous views his final ones are given, and in which Collectivism is indicated as a goal, without, however, being expounded

[4] He had previously published, in 1847, "Misère de la Philosophie," in answer to Proudhon's "Philosophie de la Misère," and in 1859, "A Critique of Political Economy," the latter mostly reproduced in "Das Kapital."

as a system, or without making it clear whether he occupies the evolutionary or revolutionary standpoint. At all events, the argument on which Collectivism, the new Socialism, rests, is given at great length, and with much repetition.

II.

THE new Socialists say that the previous efforts failed because they were Utopian, and because the fulness of time was not come for the experiments. Industry, on the grand scale, had not universalized itself, the evil of the existing system had not sufficiently declared itself, the State had not shown what it could do in the sphere of industry, and the people had not got political power. The conditions are all different to-day. Moreover, the Socialists say, "We will not this time commit the mistakes of the past Socialists; we will not abolish private property, but only considerably limit it; we don't propose to do away with inheritance, as the St. Simonians did, only we shall so arrange that there will not be overgrown private fortunes to leave; but we do propose to do away with profits, with rents, and, above all, with interest, the taking of money for the use of money. There shall only be wages which will be increased by what now goes to rent and interest, and each one's share shall be in proportion to the amount of his work. The land and capital must henceforth belong to the State for the good of all, instead of being private property for the good of a few, and to the detriment

of the many. Such is the just ideal for which the time is ripe."

This new Socialism appeals to political economy, and it appeals to history; moreover, it appeals to ethics. It calls itself Scientific Socialism, and for these reasons it must be regarded with much more seriousness than any previous form. All would seem to turn on whether the appeals to economics and ethics justify the conclusion drawn from them, and accordingly it becomes necessary to examine the arguments of Karl Marx, and his views on capital and its origin, with some attention and at some length.

According to Marx, there are three main stages in the history of industry: First, the stage of the handicrafts; secondly, the stage of what he calls (not very accurately) manufactures and division of labour, though without much help from machinery; thirdly, the stage of the great machine-produced industry—the modern stage in which we still are. In the first stage, which lasted from time immemorial—at least from the days of Tubal Cain—the handicraftsman owned the few instruments of his art, and the results of his labour were his without deduction. If the materials on which he wrought were likewise his, the product was his absolutely and completely; if, as might happen with some craftsmen, as the tailor or the shoemaker, he wrought on the materials, the cloth or leather, of another, he received a customary price for his labour. There was no employer who made a profit out of his labour. A small qualification only needs to be made to this. From the Middle Ages

onwards, under guild or corporation regulations, a master workman might have two or three apprentices and as many journeymen, the latter at daily wages, in which case the master had, of course, some small profits, and might, perhaps, be considered as an embryonic or potential capitalist in the Socialist sense.

It is in the next stage, however, that the capitalist proper appears, though only half-fledged. In this stage, which came necessarily with the advantages of division of labour, masters employed men at agreed-on daily or weekly wages, generally paying them as low as possible, and being always, as Adam Smith affirms, in a kind of tacit combination for that purpose, so far, at least, as concerned the average rate, though particular individuals sometimes found it to their interest to pay higher. In Socialist phrase, they "exploited the workers"—used them to make a profit out of their labour. Why did the handicraftsman work for them? In general, he had no choice. Either he could not compete with the larger producers, or, as generally happened, there was no question of competition, because only associated labour under an employer was possible. Where the product consisted of many parts, or the process of making involved several successive operations, as in Adam Smith's example of pin-making, or when the commodity itself was large as well as made up of parts, the factory, or workshop, or workyard, necessarily came into existence, bringing with it a large number of men in one place, who received wages from an employer.

The chief thing to be noted about this stage is that profits proper first appear, and become the source of further capital—the first capital having come either from the savings of the small producers, from loans by the money-lender or banker, from the gains made in trade by merchants or dealers, or even, though indirectly, from the rent of landlords.[5] We have, however, reached the stage of capitalist production, though, as yet, in undeveloped form and extending to relatively few industries. In Adam Smith's time it had attained considerable dimensions, though, of course, nothing to be compared with its colossal scale at the present day.

The state of things in the middle of last century, on the eve of the industrial revolution, was briefly this: in most of the older trades there was the master worker with his few apprentices and journeymen. The master worked himself, the small necessary capital was his, and so were the small profits. His social status was little superior to his assistant's, and the most he could hope for was, as trade regulations became less stringent in limiting the number of journeymen, to raise himself to the dignity of a small manufacturer. In a considerable number of industries there were small capitalist employers who paid wages to a number of men, but who did no other work than that of superintendence and general conduct of the concern. It is worth noting that in the cotton, woollen, linen, silk, and other textile industries which have since grown great staple trades, the spinning and

[5] See Marx's "Capital," vol. ii., p. 774,—"On the Genesis of the Industrial Capitalist."

weaving was not generally done in factories, but by men and women in their own homes working on their own account, although in some cases, especially in the woollen trade, there were employers who had 20, 50, or even 100 paid hands.[6]

The revolution which totally changed this relatively simple organization of labour began in the middle of last century, and was brought about by a remarkable series of inventions and discoveries, partly referable to increased scientific knowledge, partly to the genius of individuals. This spirit of invention and discovery, which has since extended to every industry—some being even wholly created by it—at first directed itself to the staple textile industries of Great Britain, the cotton, linen, woollen, and others; and these were revolutionized from top to bottom. The essence of the change effected by the new inventions was briefly this: the new invention usually took the form of a machine which could produce more in the same time than could be produced by an equal number of workers without its aid; perhaps it could produce two or three, or even five times as much, and if this could only be sold at the old price, or a trifle lower so as to draw new customers, the owner could, before the price fell, make great extra profits—after making good to himself the interest on the money invested in the machine.

Or the advantage of the machine may be thus stated: If the machine produces twice as much in the same time with the same number of hands, then with half or a little more than half the number of hands,

[6] See Toynbee's "Industrial Revolution."

and with a less large and less expensive machine, there will be the same turn-out as by the old number without the machine ; in other words, the employer will get the same result with half the labourers, and the wages of the displaced half might be put in his pocket as extra profit—minus, of course, the interest of the capital sunk in the machine.

"But whence," it may be asked, "came the capital sunk in the machine?" In the first case (when the same hands were kept on), it was either borrowed or saved out of previous profits, or most likely it came from both sources ; in the second case the necessary capital can come from the saved wages, being borrowed in the first instance. In the first case the great additional profits soon enabled the employer to extinguish both borrowed principal and interest, after which, the extra profits continuing, he was in a position to still further enlarge the scale of his enterprise, as he usually did. He did not often, until later times, under Trades Union strikes, turn part of his circulating capital into fixed, thereby displacing part of his hands ; because the larger the scale of production, the more easily he could undersell not merely the producer by the old and ruder methods, but the producer by machinery on a smaller scale in a smaller factory. He could well afford to sell cheaper, and yet have higher profit. Besides, cheapness widens the circle of customers, enlarges the demand, and the enlarged demand re-acting on expenses of production lessens them, thus stimulating him to produce in ever larger quantity.

With the incoming of the new machinery there was a great race for wealth and fortune. Whoever got

the machinery first could undersell rivals, drive them from the field, and step into their custom. It was a grand case of the survival of the strongest, or the fittest—the fittest being a strange mixture of good and bad types. The small producers were devoured by the large. Moreover, the period of struggle being prolonged, as ever newer and more potent or more cunning machines were invented, the large were in turn liable to be devoured by the still larger, a risk in the business sphere which continues down to our own time.

Instead of hands being turned adrift by the new machinery, more and more were needed in the cotton, woollen, and other industries. Then came the conquest and temporary monopoly of the Continental market, which resulted in a demand for more hands and the pressure into the service of women, married and unmarried, girls, boys, infants of both sexes. By the monopoly of the Continental market, as much as by the labour, graduated in cheapness, of women, young people, and children, the profits of the successful capitalist became something extraordinary, being swollen by the conquest of his home and foreign competitors, by excessive working hours, by monopoly prices, sometimes by his own special genius and aptitude for business.

The general introduction of steam power into manufactures between 1830 and 1850, and the demands of the new foreign markets in the East and in America, carried the tendency to large production still farther, and the latter date, or 1848, the date of the political revolution, we might roughly fix upon as the com-

pletion of the industrial revolution, and the establishment of the capitalistic regime in England, the like phenomena following after some time in France, the United States, Germany, and all civilized nations.

III.

WE are now in a position to see the essence of the new Socialism and of Karl Marx's indictment of the capitalists, on which chiefly the Socialist's argument rests. All wealth, and all exchange value, according to Marx, is the result of labour, and of labour only, and to the labourers, the real producers, all wealth should belong. Labour of head, directing and superintending labour, is allowed; how far it contributes to the result he does not attempt to tell us, though the implication is that the labour is neither difficult nor important. But certain it is that it receives an extravagantly exaggerated reward, in addition to interest on capital. Capital, Marx also allows, is necessary as well as labour, and even increasingly necessary, on account of the ever-increasing machinery required by modern industry. But then this capital should belong to the labourers in the total, to the collectivity of labourers, and not to private persons or to limited companies. And why? Because, according to him, capital is the result of spoliation: of the capitalists withholding wages due to the labourers; and secondly, if labourers do not own the capital, they must continue as now, the slaves of the capitalist, the financier, and the receiver

of interest,—the slaves of the classes who live by their labour. Their condition will even grow worse, since more fixed capital will be required. Capital is not the result of a virtuous abstinence on the part of the capitalist, as Senior, a middle-class economist, anxious to make out a good case for the capitalist, maintained. Or, if it is the result of saving, it is saving from a previous plunder taken from the working classes. Such is Marx's view.

To represent capital as the result of saving, as Senior and others do, is to misrepresent fact and history. Capital came and comes from profits, accumulations made at the expense of the workers, and these came, and still come, from *surplus value* conferred by the workers on the materials given them. To prove that this surplus value is solely conferred by the labourers is, according to Marx, easy; and, it must be allowed, if we grant his premises and his argument, they will go far to prove the case of the Socialists—from the moral point at least. A close attention should therefore be given to his reasoning here, as involving the central issue in the whole Socialistic controversy, and because on it rests German Socialism, and indeed all modern Socialism.

According to Marx—as according to Ricardo, who is the declared rock of the Socialistic faith—the exchange value of any manufactured product depends on the total quantity of labour necessary to produce it, and bring it to market. And the additional value conferred on any materials is due solely to the additional human labour exerted on them. The yarn of the spinner costs so much. When it turns

out as woven cotton fabrics it is of so much more value, because of the additional human labour that came in contact with the yarn—which additional labour is now crystallized, objectified, or "congealed," to use the expression of Marx, in the cotton cloth. The machinery confers no additional exchange value on the raw materials; or only as much as itself loses in wear and tear. Nor can the added value come from the act of exchange, which merely gives value for value, which is a mere swopping of equivalents. Consequently, human labour alone confers additional or surplus value. He goes on to show that for *part* of this new value conferred, the workman has been paid in his wages (which, however, he maintains always tend to the Ricardian minimum), for the remainder, or surplus value proper, he has not been paid. This, which is generally called profits, has been confiscated by the capitalist.

This surplus value may otherwise be defined as all above the minimum of bare subsistence. Marx is fond of putting the case in another way. Suppose, he says, the working day to consist of twelve hours, during the first six of which the worker confers as much value as would amount to his own subsistence, the amount he actually receives; then during the remaining six hours he works for the master for nothing. And the worst of it is that any improvements which reduce the cost of the labourer's necessaries only result in making him work a greater number of hours gratis. The worker's case is the old case of the serf, working so many days for himself and so many for his lord, only that there is no such

palpable division of the modern "wage-slave's" hours, so that you could say when he was working for himself and when for the master. In fact, slavery, serfage, the *corvée*, modern rack-renting, and capitalist appropriation of surplus value, are all at bottom identical, according to Marx, since all consist in the superior exacting whatever is produced above the necessary means of subsistence of the worker.[7]

Now as to this argument of Marx's regarding the cause of exchange value, there would have been more force in it during the stage of the handicraft industry, because the workman's efforts, aided by his traditional tools, did confer the additional value on the materials on which his craft was exercised. The labour of the carpenter, aided by plane and chisel, did confer on the planks the additional exchange value they had in the form of a box or table, and there is reason to say, though it is rather a verbal subtlety, that the work was the work of the carpenter and not also the work of the plane and chisel. At any rate, if the tools were his as well as the materials, the whole product was his. In this case he is, as Adam Smith says, both master and workman, and enjoys the whole produce of his own labour, or the whole value which it adds to the materials on which it is bestowed.

But as Adam Smith goes on to say, there were in his time few such independent workmen; the greater proportion served under a master, who furnished the more expensive instruments of production—in fact the considerable capital which was necessary, which

[7] "Capital," vol. i. p. 218 (Eng. Tr.).

the workers did not possess, and without which in the possession of someone they could not find employment. Can it any longer be said that all the value is due to the labourers solely, and that therefore they should receive the total product, deducting only the master's materials? Doubtless their labour was necessary, and it, aided by the tools and appliances, did the work, made the changes of value in the materials; but can it therefore be said that they are to get all the new value of the product, and to have the same advantage as if all the instruments of production were theirs? Must they not in fairness allow some deduction because they do not possess the necessary tools and appliances; or can they expect to be in the same position as they would have been in had all the means of production been their own? Unless the employer receives a portion as profits he would have no inducement to employ them, as Adam Smith says. Besides, he who furnished the fixed capital had also generally founded the business. Without his energy, intelligence, eye for an opportunity, in addition to his capital, this employment and means of livelihood would not have existed at all at that place and time.

This capitalist when he arose was a benefactor to them as much as to himself. Without this type of man arising, seeing an opening, finding somehow the capital and risking it, the thing could not have been started at all. Who was to do it if he had failed to arise? The Government, in England at least, would not; the labourers could not; the capitalist came. Having already been one in a small way, and having

made some savings, he borrowed more from the banks, whose functions and fortunes were rising with his own. He had good business abilities : the enterprise succeeded. He grew from less to more, and the more he grew the easier it was to grow still greater.

Now, be it remembered, it is a question of the fair and equitable division of the product that here concerns us, because the Socialist's argument appeals to considerations of justice ; and, confining ourselves to these considerations of justice, had not the employer just described a fair claim not only to good wages for his own anxious and difficult work, perhaps even extra wages for his genius, but also a claim to get interest on his capital sunk in the buildings and appliances, as well as invested in unsold goods until they are purchased ? especially as he himself has to pay interest on any capital he may have borrowed. He has a fair claim to good wages, current rate of interest, and compensation for deterioration of his fixed capital. No doubt he often got and kept much more, the morality of which I am not now going to discuss any further than to say, that we must judge him by the moral standard of the time, and the morality of the time absolved him, as political economists have since absolved him, on the ground that it was done under freedom of contract, which was supposed to confer a general absolution for all hard bargains driven under it.

If interest on capital can be defended on grounds of equity in Adam Smith's time, still more can it be defended in our days of universal machinery and

enormous field of investment. For, in the first place, neither value nor "surplus value" can be said to be solely due to human labour without a manifest begging of the question. The machines in the factory labour concurrently with the human beings, often, as in the case of the "self-acting" machines, they do essentially the same kind of work. In fact, looking at the process of weaving, where hundreds of yards are coming into being before our eyes, one would rather say that the machines do the chief part of the work, are the real creators, the human labour consisting chiefly of tending and superintending—the latter even in some cases being dispensed with by cunning "self-minders." Not merely do the machines labour and confer values in use, they confer exchange values, and their service is charged for and paid in the exchange price. The machinery works like the man, automatically, but skilfully; it confers values, and though it requires no food like the man, it has cost much money, and it gradually wears away or becomes suddenly depreciated by better machines, for which reasons both interest on its cost price and a percentage for wear and tear, as well as for possible depreciation, must be charged in the value or price of the things produced.

According to Marx, machines add no exchange value to the product they help to create, except what they themselves lose in the process. As much value as they lose is passed over and is added on to the value of the product, but no more. But it is a matter of fact that needs no argument (though it is a conclusion laid down by Ricardo and Mill), that the value and price of things made by machinery is increased,

because interest has to be allowed for on the fixed capital. How, then, can this additional value be due to labour? Can it be said that the machine is itself the result of labour? It can be, and it is said by some, but it will serve nothing for the argument; because the labour, crystallized or embodied in the machine, has been fully paid for, including the profits of the maker. The present owner has paid fully all previous labour, and previous profits as well, in the purchase money of the machine; it is now his, and not his hands', and if he gets an increased price for his total product, as he does, because he allows for interest on the money sunk in the machine, this increase is his and not his workers. In the case of the machine, it may be said by the Socialists that it was the producer of it who despoiled his labourers to the extent of the interest charged. But the capitalist who made the machine has the same defence for his interest. He also had to use costly fixed capital, and could not afford to give to the labourers all the price of his product. The Socialists of the school of Marx merely repeat perpetually the proposition that all exchange value depends on labour,[8] and assume perpetually the proposition, "all the product should belong to the labourer." The complete answer is: every manufactured product requires fixed capital as well as labour, and the owner of the capital

[8] This is Ricardo's theory; but Mill has rightly corrected it by showing that exchange value depends on wages and profits, —comparative wages and comparative profits,—rather than on "quantity of labour," which, as we shall see fully later on, neither does nor can determine value.

always expects and on the average gets (in the price of the products) a return for the service his capital renders equal to the current rate of interest. Consequently, neither is the product due solely to labour, nor yet the exchange value.

In reality, no one denies that the prices of things —which is the real point—are higher than they otherwise would be, and sometimes much higher, simply because interest has to be paid for. It is a fact known too well to all of us, that the money values of nearly all commodities (and many services) are greatly swollen on account of interest that is paid on fixed capital.[9] This is a question of fact of which every one can judge, but it must not be confused, as it is by the Socialists, with the moral question, whether it is morally right for capitalists to take interest, or whether it is socially just that they should get it. This last is a debatable question, only the negative must not be assumed as the result of a laboured abstract argument, which endeavours to prove that all value is due to human labour, mostly of the manual sort, that machines add nothing to value, in which the point at issue is really begged, after an elaborate parade of arguments.

And now to come to the moral question. Is it right for the capitalist to look for interest on his

[9] The prices of commodities made by machinery have no doubt also fallen through facility of production; they would have fallen much more were it not that the price of the total turnout must cover interest, and depreciation of machinery, sometimes, where more than one kind of machinery has been operative, several interests, as well as the profits of dealers, &c.

capital as well as for wages? Why should he not? I ask. As he is not an angel, nor even a professing philanthropist, but only an ordinary human being like the rest of us, with an ineradicable core of egoism in him, allowed to be legitimate by Adam Smith and Mill, both eminent writers on morals as well as on economics, he is fully justified in looking for the market rate of interest on his capital, and the like applies to smaller capitalists and to all who invest money in productive work. As society is now constituted and industry organized, whoever saves and advances money for productive purposes does good, why should he not get some return? If there were no interest paid at present few would save, and none would lend except to a friend; half the industries would at once collapse; and of the remainder few would continue if the employers received only wages of management and no interest. These, no doubt, are considerations of expediency, but they show both the necessity and the advantages of interest under our present industrial and social system. Interest at present is necessary; no one acting under business motives will lend for nothing; as Emile de Laveleye says, no capitalist employer will give to his employés the whole proceeds of his business, deducting only his own wages. To suppose that men will do either, is to suppose that they have reached a far higher moral level than they actually have: I do not say higher than is possible in a distant future period. To take interest may not be high morally; it certainly does not agree with the precept in the Sermon on the Mount, "Give to him that

asketh of thee, and from him that would borrow turn not thou away," but it is not wrong nor immoral in our time and social circumstances. It is a case of getting something for the use of something, a *quid pro quo* universal in the sphere of business which even philanthropists practise when they descend into that sphere, and which has been very profitable to the labouring classes in the total.

I must grant, however, to the disciple of Karl Marx, that the capitalist, from the beginning of his reign, and especially from the time of the Industrial Revolution, could have afforded higher wages consistent with high profits—much higher, in fact, than he now gets, though on a smaller surface of capital ; that morally, therefore, some of these profits should have gone to his labourers. I say some, because a large part was due to his own business genius, perhaps to an invention he made or bought, to the conquest of his rivals and the absorption of their profits ; later on some was due to monopoly prices charged either to the public, or to the foreigner, and whatever extra profits came in these ways was clearly not due to a spoliation of the workers, whoever else might have cause of complaint.

I admit other charges made against the capitalist ; that he overworked as well as underpaid his male hands, that after pressing, though on strictly economic principles, women and children into his service, he overworked and underpaid them too ; while sometimes finding a means, through their low wages, of depressing still further the wages of the grown-up

men, because if the wife and children earn so much, the man, the head of the family, might do with so much less, it being only necessary that the total wages of the family-group should reach the Ricardian standard. I allow that he was often callous as well as greedy and covetous, and that provided he made his profits he little recked that "the children were weeping in the playtime of the others in the country of the free," or that the future physique of the nation was being endangered by the mothers working in unhealthy factories as well as the fathers and the children.

I admit other charges less insisted on—that without compunction he ruined rivals according to the accepted business ethics ; that having sent them to the bottom by superior mass of metal, and hoisting thereafter the pirate flag of monopoly, he and his surviving compeers combined and levied taxes on the public through raised prices wherever possible and prudent.

The past sins of the capitalist I admit, the worst of which as affecting the labouring classes have been transcribed by Karl Marx from Blue Books and the Reports of Commissions. And they are on record in the late Lord Shaftesbury's speeches during the debates on the Factory Act, in 1844. Those things are sufficiently evil, but amongst his evil deeds should not be included the taking of interest or of fair profits, which, however, is the chief charge brought against him. That he looked for *any* interest was his chief offence, as the taking of interest, in addition to wages

for his labour, is the unpardonable thing in his representative of to-day.

If interest is to be successfully attacked on the score of its being immoral, it must be on one of two grounds—either because the principal was come by in questionable ways, or because the continued payment of interest necessarily leads to great social injustices and evils, which could be removed by its abolition without producing greater evils. Now, as to the first proposition, it is doubtless true that a portion of the present accumulation of capital in individual hands did come originally from doubtful sources, morally viewed; but as it would be impossible to separate the part morally suspected from that fairly acquired—as, moreover, no law was broken in its acquisition—the present possessors ought not to be disturbed in its enjoyment. Long possession purifies titles on many grounds, and especially the title to capital. But while there should be indemnity as regards the past, that is no reason why the ways to wealth should not be more legally fenced in in future, especially as regards the operations of speculators, "promoters," and cornerers; as well as regards the possible unscrupulousness of employers.

As to the second proposition, that the payment of interest in one or other form is the chief cause of social evils and injustices, which could be removed by its abolition—this is indeed held by all the new Socialists. But as its abolition is only a part of the whole scheme of collectivism, and is not advocated by Socialists, save as part of the whole, it will be necessary first to consider that scheme together with

its advantages and drawbacks before we can pronounce decisively whether interest, which next to inheritance is undoubtedly the chief cause of the modern inequality of wealth, is also good on the whole, and good for the greatest number.

CHAPTER V.

IN THE SOCIALIST STATE

I.

So far we have only had Marx's argument to prove that capitalism as a system is robbery and spoliation: an argument which, as we have just seen, is less solid than the new Socialists suppose. There is no positive and constructive scheme in Marx's writings; but collectivism is undoubtedly suggested,[1] that is, the collective ownership of land and capital as the means of production, together with a distribution of products amongst all workers, productive or unproductive, according to the quantity of the work done, which is to be measured by the hours of labour bestowed on it, skilled labour being rated as a certain multiple of average or common labour.

Collectivism is merely suggested by Marx as the future governing principle; it is not worked out into detailed application, so as to present us with a positive, connected, and practicable scheme. As in the case of the somewhat resembling though vaguer scheme of St. Simon, it was the school that elaborated the scheme, so it has been rather the disciples of Karl

[1] In particular, "Capital," vol. ii. p. 789 (Eng. trans.).

Marx than the master who have developed collectivism—so far as it has yet been developed into a system.

It must be confessed that its development has not proceeded far: possibly in part, as Schæffle suggests, from prudence on the part of collectivist leaders, lest they might afford a handle to the objector; partly it may be from defect of constructive genius and imagination, which would be more tasked to-day in our more complex life than when Sir Thomas More drew up his ingenious work: and partly it may even be, as M. Leroy-Beaulieu affirms, because of the inherent impracticabilities and ineradicable contradictions of the scheme.[2] Whatever the cause, certain it is that no connected and well-thought-out presentment of the scheme as a whole, with a due forecast, adequate weighing, and satisfactory answering, of objections, has been given to the world by Socialist writers of authority, if we may except the short but masterly sketch entitled, "The Quintessence of Socialism," by Dr. Schæffle, who, however, is not so much a Socialist as an impartial critic alike of the new Socialism and of the existing system.[3]

In this absence of full exposition we must content ourselves with taking up the central and main principle, and considering what it logically and necessarily

[2] "Le Collectivisme."

[3] There is also Mr. Gronlund's "Co-operative Commonwealth," in which while the constructive part is greatly wanting on the economical side, neither his exposition of the political side of collectivism nor yet his too easy refutation of objections is quite satisfactory.

implies ; we may also take the points in provisional programmes in which the collectivists seem agreed, and those points in the existing system which they have mainly attacked. By all these means, especially by the first, we may get a more magnified if not a more detailed picture of collectivism. We can see as in a panorama the whole of it, what the parent idea in its integrity involves, apart, of course, from the qualifications or reservations of particular advocates.

The State, then, or the community in general, is to be the collective owner of the land and of all the instruments of production and of transport ; by instruments meaning all things requisite, other than land, to produce and to circulate commodities—what economists call fixed capital—all factories, workshops, warehouses, machinery, plant, appliances, railways' rolling-stock, ships, &c. The State is to own the land and the fixed capital—or to express both conveniently in a single phrase, *the means of production*, production according to economic usage being supposed to include the distribution or circulation of products.

Products in their final shape, in which they are directly consumable, the State will not own. These it will only keep in its care, in public warehouses or magazines or stores, until the workers of all kinds send in their claims on them, which claims will be measured by the number of hours for which they have worked, and for which they will have received certificates or labour cheques or orders to be presented against goods in their final consumable form as distinct from those intermediate stages in which

they would be of no use to the holders under collectivism.

The State will possess the fixed capital, or, more correctly, the instruments of further production; of what is now called circulating capital the State can only be considered as owner of those materials not directly consumable by individuals, because not directly satisfying any material want: it will not be owner, as M. de Laveleye suggests,[4] of that portion of circulating capital[5] now paid as wages, because under collectivism that portion will become the property of the labourers without being in any sense advanced even temporarily to them. It is a result of their labour aided by the instruments, and the State will only have charge of it, will only possess it until the labour cheques on it are presented.

The actual work of production and distribution is to be carried on as at present, namely by large groups or co-operatively, but the directing head is no longer to be the private capitalist employer. He is to be a functionary, a paid official of the State, producing under superior direction and not according to his own judgment; with less risk than at present, but also with much less chance of making a fortune. It is possible, and Schæffle thinks it desirable, that

[4] "The Socialism of To-day," p. 244.

[5] The term "circulating capital" would not be very appropriate under collectivism, though at present, contemplated from the capitalist and money point of view, it has significance. The money which is paid for work and materials, in wages and cost of materials, comes back, is replaced with profit, and the process goes on indefinitely. But under collectivism there would be no money.

extra merit should be more highly remunerated, but the salaries it is understood will be very modest indeed as compared with those of the successful men in business now. How the manager or leader of industry is to be selected, whether by the suffrages of the workers or by the State,—and in the latter case whether through the secretaries or chiefs of the Industrial Departments, or in the way it now selects officials for the existing branches of the public service —is a point on which collectivism does not seem to have made up its mind,[6] though its principle, being democratic, leans to the former method.

In agriculture as well as in all other industries the work is to be carried on on collectivist principles, but according to Schæffle, the time is not ripe for this in the rural districts in Germany, though according to Mr. Gronlund the time is ready in England, and soon will be in America, where he thinks the great bonanza farms prove the greater economy of labour, or the greater product to a given amount of labour when farming is carried on on the large scale. His faith is great when we consider that peasant proprietors exist over a large part of the civilized world,

[6] According to Mr. Gronlund, in the co-operative commonwealth all promotion should come from the vote of the workers immediately beneath ; the workers choosing the foremen, and these again the manager ; while, on the other hand, the manager could not, in the interests of obedience and discipline, be removable save by his superior. Mill also thought that the managers in future should be elected by the workers ; but Mill was only thinking of co-operative production, where the group that owns the capital would naturally have the selection of the manager.

both in Europe and America, and that the present tendency in the United Kingdom is to increase the number of such by legislation. Moreover these classes, as well as small farmers in general, whether proprietors or tenants, are generally the most conservative in customs and sentiment, so that although they have no objection to a collective or State ownership, which would practically mean individual ownership by the present occupiers, with liability to a tax, it would take a very long time to turn so conservative and so scattered a body into true collectivist-socialists.

So far we have only been concerned with what political economists call productive labour, or the labour that results in material things, whether directly consumable, as food, clothes, houses, fuel, light, furniture, etc., or the materials of these in any of their previous stages; under production being included by the Socialists the very considerable labour of transport, as well as the connected labour of distribution, —the labour of the carrier by railway, road, or waterway, and the labour of the dealer who gathers commodities to sell again at a profit; all which labour is in future to be done on collectivist principles, the private undertaker and his profits alike having disappeared.

But there is still much labour in the world that is important and indispensable, though not productive in the economic sense. There is all the labour that consists in rendering services where no material thing results or is worked into more desirable form. There is the labour—often absolutely necessary—that con-

sists in doing some services that some one requires the labour of the physician, the schoolmaster, the professor, the magistrate, the policeman, the soldier, the domestic servant, or, as he or she will be called in the socialist community, the domestic help, not to speak of the labour that merely ministers to amusement, such as that of the actor, the public singer, or the dancer. There is, too, the higher labour of the man of letters, of the artist, of the man of science, so far as he is an original investigator. There is the labour of the civil as well as of the military service. How is all this labour to be organized under collectivism, and particularly how is it to be paid comparatively with productive labour? As to some of it, there is no question as respects organization, as it is already carried on by co-operation or association of efforts, and is paid by the State. Such is the case with the work of the soldier, of the sailor of the royal navy, and in a less perfect degree with the labour of the civil service in general. But there is labour that cannot be carried on by association or collective effort; the labour of the medical man, of the lawyer, of the literary man, of the artist, etc. These forms of labour, as we shall see more fully later on, cannot be organized collectively, but on the strict and central principle of collectivism, they should be regulated, rated at their proper value, and paid by the State. All kinds of workers are to be State functionaries, and paid by the State. There will be no private enterprise, because if any were allowed, more would probably come, and inequality of wealth would return from that side. A man will no longer be

permitted, even if he had the means or capital, to open an educational establishment, start a journal, undertake any private business on his own account, because the fields of education, journalism, and of all business are to be occupied by the State, and no chance will be allowed to any private competition.

All industries are to be controlled and directed by the State as in the St. Simonian scheme, from which collectivism differs only in not suppressing inheritance, and by its democratic character as viewed from the political side. Collectivism does not think it necessary to suppress inheritance; as under it there would be so comparatively little left to inherit, it assumes that there would be no fear of a return of the great inequality of the old system from that side. And it permits private property in consumable goods and in things *quæ non consumuntur usu*, such as pictures, jewellery, houses, which may be bequeathed, but it so far restricts the right of property that no one will be allowed to make an income out of property without work. There must be no lending at interest, or advancing goods on credit to be repaid with interest, no letting of articles for hire, no leasing for rent, no private setting others at work with a view to make a profit out of their labour, though apart from this case, there does not seem to be any objection to asking another to do a service in return for an agreed-on payment.

As to distribution, each will receive in proportion to the amount and kind of his work: the amount to be measured in time, by the number of hours of work of "average labour," skilled labour to rate

at so many times average labour; the value of unproductive labour, where of ordinary kind, as that of the policeman, to be measured by hours of work, where it is of a superior kind, as the labour of the magistrate or physician, to be determined arbitrarily by the Government, or perhaps in the case of the physician, partly, as now, by what the public will pay for it.[7]

There will be no market in the Socialist kingdom, and no money. Markets and market prices are now useful to adjust supply and demand; this will be unnecessary under collectivism, because the State will do it through labour bureaus and statistics. At present markets afford the grand chances to the speculator and the cornerer, who can act on prices for their own profit but to the detriment of the public. The speculator and the cornerer, the engrosser (*accapareur*) of former times, will for the first time receive his effectual quietus, it is confidently believed, with the suppression of the market.

Even more important is the suppression of money, of gold, silver, and their representatives,—bank-notes, bills of exchange, etc. It is easy to some to accumulate money, and thence would come back inequalities; it is not so easy to accumulate consumable goods. Money is now chiefly needed as a general medium of exchange; something with which you can buy anything, something for which you can sell anything. It is mainly a convenient means of getting something you want for something you have to give, whether product or service. In the Socialist State you will get

[7] Schæffle's "Quintessence of Socialism," p. 50.

for your work or your special services the desired things without the instrumentality of gold or silver or notes, simply by presenting your labour cheques at the State stores, or in some cases for your services you will get labour cheques directly from the purchaser. The only thing resembling money will be the labour cheque.

With money will go all private bankers and bill discounters, who now fulfil a useful function in lending at interest to borrowers, productive or unproductive, and in adapting supply of money to demand by altering the market rate of interest, but who would be unnecessary if there was no money, and who, by the power of extending or contracting their credit, have great power to encourage speculation, which sometimes ends in loss and ruin and crises, which would be impossible in the Socialist State.

As the State will undertake all industry, and will save the necessary collective capital, there will be no private investments. There will be no investment of money (or of labour cheques) at interest in companies' shares. There will be no borrowing by Government at interest. There will be no stock or share market any more than money market or produce market; no quotations; no buying or selling, real or fictitious. The old familiar social types, the banker, the stockbroker, and the comparatively new one, the financier, the company promoter, the speculator on the Stock Exchange, will disappear, as well as the much larger class who live on the interest or dividends of their investments.

II.

SUCH is the general outline of the scheme, to which it is easy to see many objections; and the first is that nothing could be produced either in the sphere of material or intellectual production unless what pleased the chiefs or heads of the departments of production. If by chance you and others should wish for things that have not been produced, you cannot have them unless you can persuade the directors, because the State will possess and control all the instruments of production. At present it is demand which determines what shall be produced, and every conceivable demand is catered for. Under collectivism production will determine demand; at least demand will have to accommodate itself to production. If you would like a superior copy of a book, an engraving of a painting, a particular kind of furniture, a fabric for dress, you cannot have them under collectivism unless the directors in their wisdom have decided to produce such things, as most probably, the State being democratic as well as socialistic in constitution, it will not. There will be a great levelling down as well as a small levelling up in the quality of the things produced, while in variety there will be a great reduction, as all the rarer luxuries and choicer fabrics, such as now render attractive the brilliant shop windows in Regent Street or the Rue de Rivoli, will disappear.

By this power of producing only what pleased them the directors of production would very considerably affect our lives. The food we should eat, the clothes we should wear, the furniture of our dwellings, would

within limits not too wide be prescribed. To which the Socialists say in reply: that it is absolutely necessary that the State should be sole producer to escape from the evils of the present system. Moreover, the State would produce things in general request. It would first produce an ample supply of good and unadulterated necessaries; after the necessaries it would only produce luxuries that were in general demand, and which did not take too much labour —that is too much time—to produce; because Socialists consider leisure itself as a luxury, and in the Socialist State it would not be desirable nor possible to force any one to labour beyond the time necessary for his own support. It is, they say, because there are now so many luxuries produced that men and women have to labour so long. In the Socialist State men would not give up their leisure for things that merely gratify the eye for a moment, or which minister to egregious vanity or love of ostentation. The needs of the generality would have to be considered, and rare or costly things could not be produced for superfine people, who, moreover, would be scarce in the Socialist community. There would, in fact, be no one to purchase rare luxuries if they were produced, as few people will have large salaries, though there will not be equality.[8] But though luxuries that could be monopolized would be restricted, what may be called public luxuries and sources of common enjoyment, whether art galleries, public

[8] It is really a doubtful point; but it is best to make the more reasonable supposition with Schæffle, that a certain degree of inequality will exist.

buildings, theatres, parks, promenades, &c., would, the Socialists assure us, be on a scale of unequalled splendour.

The collectivists are less satisfactory in replying to the objection relating to the production of immaterial things. The State could print or suppress what books it pleased, as it will control all the printing-presses and pay the printers. According to M. Leroy Beaulieu, there is here the basis for a spiritual despotism such as the world has never seen, and going far beyond the Inquisition. The "liberty of unlicensed printing" for which Milton pleaded would be completely gone, and it would depend on the composition of the Government for the time being what new books would be permitted to appear, as well as what old ones would be reproduced. Fanatics in power would suppress all works that they thought dangerous to their views. What guarantee can the collectivists give us against so great a danger? for great it would be; while the thing itself, a practical suppression of free thought and speech by the suppression of its spiritual nutriment, would be wholly intolerable so long as man does not live by bread only, and yet there seems no answer to the objection save by letting every one print at the State press what he pleases, provided its expenses are guaranteed: in other words, by withdrawing from the State the exclusive control of the press and the decision of what it will and will not print. And the same considerations apply to the journals and magazines as to books. They will have to be organs, not of the State, but of parties in the State having different aims and ideas, religious,

political, even social, as now. The Socialist State, indeed, could hardly be expected to lend the State presses to social sectarians to print and advocate doctrines subversive of the fundamental principles of the State, and to urge a return to the old order of individualism : and if, distrusting its inherent strength, it did not do so, liberty of thought and speech would be so far invaded.

The next objection is of an economic kind, and refers to the quantity and quality of the production. It is urged that the great stimulus to the private interest of the industrial chief being withdrawn, the generality would have no greater share than before of necessaries or comforts, even though no costly luxuries were produced: because the private capitalist and the present source of initiative will be replaced by a manager, who will have far less interest in the result, while the workers themselves will be disposed to take things easy, work in itself not being pleasant (as political economy postulates), and no one fearing dismissal under a socialistic regime. The chief, on whom so much depends, would have far less interest than now to increase the product by his supervision, by search for improved processes, or new inventions; while the men of inventive genius, the Watts, Hargreaves, and Bessemers, would find it far more difficult to get their new ideas applied in practice, the State being hitherto very timid and unenterprising in running risks. The heads would be languid, the general workers not too assiduous, and the State timid, from all which there would result a diminished rate of progress, decreased production of wealth, with

finally, in all probability, a diffused poverty, which besides being an evil in itself is one that threatens all the higher human interests.

And to this objection or doubt I think great weight is to be attached. And there is ground to fear that under Collectivism, so far as it has been unfolded, this result would happen, in spite of the fact that the labour that now produces many useless luxuries would be available for useful things. Unless not merely the generality—the hands—but the heads were encouraged, there would be grounds of apprehension on this side, and the objection could only be got over by paying the manager on a far more liberal scale than collectivists contemplate, or than their central aim at preventing inequality will allow, and by further permitting the production of such things as the heads might desire, for there would be no use in higher salaries unless the production of specially desired luxuries were permitted. Nothing could be done with them, since a man's capacity of consuming necessaries is strictly limited, as Adam Smith says, by the narrow capacity of his stomach; and the industrial leader could not use a superfluous stock of necessaries, as the feudal chief formerly could, to extend his power by feeding retainers to fight for him. It is not clear from collectivist programmes whether he could keep hired servants: certainly not many, as such would naturally be regarded as savouring of past slavery. If so, and if the well-paid official can neither have servants, nor a fine house, nor carriages and horses, nor superior wines, what use, we may ask, are his additional labour cheques or orders on things of

which he has a surfeit? Is it not, then, to be feared that the Captain of Industry would weary in well doing? If you want good work from him, you must give him an end to work for, a motive to urge him, such as will indubitably act on him. At present he has such motive in his expected profits, and the certainty that with these he can command carriages, footmen, choice wines, pictures, deer-forests; legitimate objects of desire, though not all of a high kind, as well as more doubtful objects, political supremacy, social homage, etc. Take away all these things, reduce him to a Spartan simplicity of life, and expect more than Spartan virtues from him, that he will work early and late, be engrossed perpetually with a business not specially his, out of mere benevolence and public spirit—is it not supposing him a being quite other than he is, or than he is likely to become for centuries? The many average workers may have sufficient motive; the chiefs, on whom together with inventors so much more depends, would not have it, and unless they are liberally paid, and can demand what they please with their wages, that is, unless Collectivism modifies its central principle, the not remote results would be a lack of heart and energy, issuing in a general poverty. In a word, impracticability may be writ large over the collectivist scheme so far as it would largely cut down the salaries of superiors, discourage inventors, or arbitrarily dictate production.

The failure would be certain, because it depends on principles of human nature ignored by Socialists. So surely as there is a certain permanency in human nature, and certain well-established general egoistic

traits in man, as all religions, moral science, the science of psychology, the lessons of history, and our own experience testify, so surely will any system fail which ignores these general and permanent facts, and which supposes man other than he is. Egoism, self-interest, is the deepest and most central thing in man, in the species, and egoism in its coarser and acquisitive form of a desire for material goods, is the main motive for action with the generality. If this be forgotten, and if self-interest is not allowed a field, the scheme that attempts to restrain it by rigid laws would fail. Egoism compressed by laws would take its revenge, would find a way to subsist in spite of the most rigid laws ; it would first elude the laws, and at last it would break them, and break up the State along with them, having first impoverished it.

The conclusion to which we are led, then, is that unless the industrial chiefs are remunerated liberally, unless there be a gradation of salaries, and unless there be free choice of products, or a production suited for a well-to-do if not a rich class, that is, unless the departure from the present system is not great, Socialism would not work. The salaries need not under Socialism be so large as now, as there would be no need to set apart a portion of them to provide for the future of a family, since the family would be safe, and all its members would find their places in the Socialist State assured in proportion to their fitness.

A common objection to Socialism is that under it the supply of capital to create new instruments of production and to prevent the deterioration of the

old would be insufficient, from the withdrawal of the present potent stimulus to saving in the shape of interest. At present, in all societies economically progressive, like England, France, Germany, the United States, an ample supply of capital is provided by the private savings of well-to-do or rich people, who expect interest, still more by the savings of the employing capitalists, who expect both interest and wages of management. This stimulus is at present very effective: in a country like England the increase of capital each year is very great—the doubt is whether there would be an equally effective stimulus to saving under Collectivism.

This is a point on which there is some misconception, which is shared even by writers of authority like Professor Cairnes, who affirms that under a socialistic regime there would be no motives to keep up capital save benevolence and public spirit. Under Collectivism the new capital required would, as Schæffle says, take the form of a tax in kind or a deduction from the gross produce. A certain proportion of the consumable products would "be reserved by the public overseers of production, partly for keeping up the supply of collective capital and partly for the maintenance of other not immediately productive but generally useful institutions—in fact the public departments by which all the citizens benefit."

If we suppose one-tenth of the total produce to be thus set aside for the purpose of keeping up the collective capital, the essence of the matter is that that proportion is consumed by the workers engaged in maintaining, increasing, or improving the instruments

of production. The total amount of consumable products will, on the one hand, be less, by the amount consumed by these labourers, than if they had been directly engaged in production, where they could have produced as much as they consumed by the aid of the old instruments; but, on the other hand, the product will be greater in future by the more efficient instruments they will produce. All will gain by this diversion of some labour from direct production to the making of superior instruments, which ultimately increase production.[9]

Their support while making the instruments can hardly be regarded as a tax or deduction, because, while they consume each year one-tenth of the produce, it is a produce constantly increasing by their labour. And if even the annual increment of capital be increased, and more than one-tenth of the workers be employed repairing or creating instruments, there would so far be a less product from the remaining diminished workers, but a greater product from the constantly improved instruments. The essence of the matter is that more directly consumable products are every year given to those who are not directly but indirectly producing: not producing consumable things, but superior and more effective means of attaining them.

[9] This is the real meaning of investing capital. It is not essentially a case of deferred consumption, as some represent it, because the produce set aside or saved is, as Mill says, consumed, and soon. It is consumed by those engaged in producing the more efficient instruments, but the result of the immediate consumption is a greater production, and of course also a greater consumption ultimately.

The production of superior instruments would thus be the obvious interest of the community. We can see this if there were only ten men starting to labour in common on isolated land. The advantages to all of fixed capital would have been obvious had there been five men on Crusoe's island. And here we can see the error of Professor Cairnes, before referred to, that under Socialism there would be no motives for saving except benevolence and public spirit. Saving under Socialism would take the form of sending more labourers to make instruments, and of submitting to an immediate deduction of products for their greater ultimate increase. The motives of self-interest are not done away with, as Cairnes supposes. Fixed capital is really an investment of the general public labour which is eminently productive and profitable, which is restored with an additional yield, only that under Socialism every one would have a share in the additional yield, instead of, as now, only a class. Whether investments of labour in this form would, under Collectivism, be as extensive or effective as now, may be questioned. But if on the one hand new fields of investment would probably be less eagerly sought for, imaginary and illusory ones would certainly be less tried than now, and there would be less waste of capital from this cause or from miscalculation or accident.

There certainly would be no capital obtained from private savings, and private savings form a most potent source of capital now. No interest could be got for the loan of such, and private savings, if any, would take a different form ; that of investment in

things at once durable and desirable; possibly in making a provision for old age; but in no case would the saving be of a kind to increase the future production, as it is at present.

III.

BUT the commonest of all objections to Socialism is that liberty would be in danger; liberty which, as Mill says, is, next to food and drink, the most craving want, and, unlike these, a want which increases with all real improvement. It is also the chief objection of Herbert Spencer. In his book entitled "Man *versus* the State" he speaks of "the coming slavery" foreshadowed in certain measures of a socialistic tendency, and justifies the words on the ground that "all Socialism implies slavery." This is an important point; it is also a difficult one, owing to the various meanings of the words liberty and freedom, and on both grounds it requires a careful consideration.

Mill, using the word in the wide sense of liberty of thought, of conduct, of uncontrolled development of one's own individuality in all directions, for which he pleads so powerfully in his treatise on "Liberty," is evidently in doubt as to the general weight of the objection. He thinks there is some weight in it, and that the future will lie with whichever of the two systems, Socialism or Individualism, can afford most space to liberty in general. He thinks, however, that the objection as to the restrictions of Socialism is "vastly exaggerated;" that members of the associations "need not be required to live together more

than they do now, nor need they be controlled in the disposal of their individual share of the produce, nor yet in the disposal of the large leisure they would probably possess. Individuals need not be chained to an occupation or to a particular locality." But whatever the weight of the objection in this direction, it applies, he thinks, with far greater force to the present system, under which the majority of labourers enjoy no real liberty, "have as little choice of occupation or freedom of locomotion, are practically as dependent on fixed rules and on the will of others as they could be in any system short of actual slavery."

But indeed we might go farther than Mill and ask how many at present have full liberty of this sort, liberty to come and go, to work or idle, except the fortunate few, the rich, or the people with sinecures, or at least with very long vacations. The professional man has little of this sort of liberty, and would be sorry if he had—liberty and leisure meaning in his case smaller fees and greater anxiety, slavery meaning inflowing guineas and pleasure from work and its reward, the greatest he could enjoy. Omitting the rich, those who enjoy much of this kind of liberty now are the unsuccessful men, or the men only half employed who earn only half-incomes, and who would gladly get rid of it to fall into a constant money-making groove. In fact, this "unchartered freedom," as Wordsworth calls it, may easily prove a curse to its possessor, and in the majority of cases produces more misery than satisfaction. Under Socialism the man of superior ability who worked his way to the best position and then had not too long

working hours would have more leisure, and probably more relish for it, than the corresponding type of man to-day, often over-worked. There is probably greater task slavery now than there would be under Socialism, because under it a man would have his own future and that of his family assured without saving or paying an insurance premium. Indeed the danger of Socialism is, as we elsewhere note, rather in the opposite direction; that far from being a slave to his task, the Socialist would take things too easily, from the fact that his own and his family's future is sure, or at least as sure as that of the whole of which he is a unit.

We may assume, then, that under a Socialist regime (in its most reasonable form) a man would not be prevented from taking an autumn tour to Switzerland, or going to the seaside for his holiday (because there would, under any endurable Socialism, be holidays), provided he had the means to pay for the expenses of the trip, which would come out of his salary and not from the State, unless in the case where he travels in its service; nor would an ordinary worker be prevented from emigrating to America if he pleased, though a Socialist might possibly be then less inclined to go to America unless Socialistic institutions were established there also. There would be no force used to prevent an individual from going to a country where he might better himself, but the State would not in general feel bound to pay his passage. That he would have to do for himself out of savings made for contingencies of the kind; though it is even conceivable, if population became excessive

from any cause, that the State might organize emigration to relieve its own condition.

On the whole we may say that under Socialism at its best there would not be more slavery than now; and the supposed diffused and universal slavery would in practice be no slavery, its very universality reducing it to nothing, like the uniform atmospheric pressure of so many pounds to the square inch that we are all unconscious of: as it would be every one's interest to resist and minimize the slavery, its shackles would fall off or cease to be felt while a species of real slavery that would cease or be lessened would be that of the present over-tasked and underpaid operative, male and female.

It is, indeed, objected that, the State being sole producer, the leaders and directors of industry, as well as all its higher officials, might be despotic; that all in command might be tyrannical to all who obey, and that the liberty of the latter would be at their rulers' mercy, without the hope of ever being able to shake them from their shoulders, save by a change of masters. This kind of slavery for the working classes in general and for all who have to obey is perhaps possible in some measure. But some industries and services are at present under State direction without its being found an intolerable despotism, while, as before stated, for the majority of labourers the necessity of their position places them in general in a state of merely mitigated slavery at present. A certain degree of diminution of liberty for the generality there probably would be under Socialism, but that would be a price

paid for greater security, and for the greater equalizing of opportunities. They have now at least some liberty of domicile; they may move from one part of the country to the other to get better wages, or for any other reason. They may even move as the tramp, vagabond and gipsy, for the mere pleasure of moving and asserting their freedom. This liberty of domicile or place of abode would probably be greatly contracted under Collectivism. M. Leroy-Beaulieu thinks it would hardly exist at all, because the State would be the sole owner of all the houses, and no one could change to a particular place unless the authorities allowed him a house. The objection from this side does not seem insurmountable, and is most probably exaggerated; but we shall see later on, from another side, that if the State wished to keep the values of things steady, it would have to transfer labour arbitrarily from place to place.

Liberty of demand for both material and immaterial things, the power of buying the things we pleased, would be narrowed, and liberty of thought and speech there could not be if the State was the sole owner of the printing presses and director of the printer's work. As to the former, we have seen that the choice of things to be produced would still have to be left largely to the consumer; as to the second, which involves the whole great question of freedom of thought and freedom of speech, such control could not for a moment be left in the hands of any power, temporal or spiritual. The State could be left to produce bread for us, but not to produce books, because our palates for spiritual sustenance differ so

much; and therefore printing and publishing would have to remain under private enterprise, however regulated.

Mill's main objection alike to Communism and to Socialism in all its forms, is that under either there would be no asylum left for individuality of character. He fears that public opinion would be a tyrannical yoke; and doubts "whether the absolute dependence of each on all and surveillance of each by all would not grind all down into a tame uniformity of thoughts, feelings, and actions." This he thinks is a glaring evil at present; the question is, would it not almost certainly be increased under Socialism, when all would receive the same general education and be subject to the same common influences. We should all thus cast in the same monotonous moulds, become as like as sheep in a flock. No more variety in talent and taste, in aspiration, in general character. The present interesting and various contact with people having different outlooks on things, the delightful exchange of ideas and points of view, the mutual supplementing and stimulating would be gone, every one would think the same thing as every other, and in every one we should find only our own echo. Conversation would lose all its charm, we should never escape from our own insufficient and intolerable selves, and society, which already suffers from the disease of uniformity, and the "general average," would become utterly weary, flat, and unprofitable.

Such—not exaggerated—is Mill's objection or apprehension as to Socialism and Communism.[1] He is

[1] See "Pol. Economy," Bk. II. ch. I. § 3.

evidently deeply impressed with it; and in fact there is much in it. I think, however, that Mill exaggerates the danger from this side, though it is real. There is no doubt that if we framed our conception of the Socialist State from More's Utopia, from existing communities, or even from the Fourierist scheme, there would be reason to dread the want of diversity of type, and even want of originality of thought, feeling, and character. Certain considerations, however, not dwelt on by Mill would remove some of the weight of the objection under a reasonable form of Collectivism, supposed otherwise practicable; one such consideration being the increasing variety of life owing to evolution, social, industrial, and even intellectual. Life gives increasing play in all directions to the division and specialization of work, and this very fact must prevent, under any possible Socialism, the dreaded uniformity and monotony of life and character, and must result, as a condition of its existence, in that diversity of talent and taste which Mill fears would be crushed. It can hardly be doubted that under any Socialism that is at all possible, there would be men of science, men of letters and artists, as well as inventors, engineers, captains of industhy, if not captains of war, and the whole hierarchy of labourers of all kinds. It is not to be doubted that the men of science would cultivate different provinces, that the cultivators of each branch would not be all equal in intellect, and that occasionally a Lyell or a Darwin might appear; there is not much danger that poets, historians, critics, essayists, novel writers would not be allowed in the Socialist

State in whatever way they might get their wages, or in whatever way the best might be selected, and these men of letters will differ in degree as well as in kind. A genius might be expected now and then to appear, and short of that there would always be some higher than others. The best would be numerous, and if the select in the different intellectual provinces should meet in some future Academy, they would still form good company, and it would not be for want of variety of outlook on life and the universe if they bore each other. The real danger is not that there would be little variety in taste and talents, but that the generality in the same sphere would be too like each other, and that there would be a sort of Chinese equality of intellect with little or no originality, and with, as a consequence, an arrest of development or diminished progress.

On the other hand, it must be remembered that under all schemes of Socialism, except Anarchism, the generality would receive a higher education than now, that all *promise* at least greater leisure than now for the generality, who consequently would most probably take greater pleasure in mental things, in literature, science, and art. And as this general light and culture would be wider and deeper, it would awaken and ripen the seeds of genius which now never get an opportunity; it is therefore highly probable that originality would, on the whole, be greatly increased. Certain it is that new veins of originality and genius would be struck in the virgin soil of the hitherto uncultivated minds of the mass which would yield rich results. That this is no fancy

deduction but all but certain theory, is confirmed when we remember the amount of genius that has burst upwards in spite of lack of culture and a forbidden tree of knowledge. It is difficult, indeed, to keep the highest order of genius back in certain provinces, such as the fine arts or the inventive arts, especially where, as in the former, to do so has always dimly been felt as a crime against humanity, or as in the latter where it is obviously useful, and consequently in the fine arts especially, a Burns, a Beethoven, supreme and original geniuses, will mostly find some expression for their genius. But how miserable even their conditions have mostly been, how incomplete their utterance generally, and how many only less than they have not spoken! How many have even been wholly repressed, who might have excelled in science, philosophy, scholarship, literature (other than poetry), where full development of faculty postulates a certain degree of previous culture. It is of the successful few of such as these that Heine speaks when instancing the case of Lessing; he says, "The greater portion of their life was spent in poverty and misery—a curse which rests on almost all the great minds of Germany, and which probably will only be overcome by the political emancipation." And most certainly under such a revolution as Socialism, many more of such superior spirits would find an opportunity. We have spoken chiefly of art, invention, and literature in the widest sense, including the use of words by speakers as well as writers; it has been in these that the geniuses of the people have hitherto had any opportunity; in arms, politics or administra-

tion they had no opportunity of proving superior capacity till after the French Revolution. Since that time great statesmen and soldiers have sprung from the Fourth Estate and the lower middle class, both in France and in America; and there is every reason to believe that there is much ability of this as of the other order latent in the body of the people in every country on all of which reflective Socialists propose to draw.

Doubts have, however, been frequently expressed whether culture would not be in danger under Socialism—culture as distinct from originality and genius, which are the fountains that increase it and minister to its enjoyment. Would the mass of the people in a democratic society, it is urged, appreciate a thing they had not got, and did not know? Would they recognize the necessity of setting apart funds for its support and encouragement? According to Professor Sidgwick, the development of culture has been hitherto due to the existence of a rich and leisured class. "It is only in a society of comparatively rich and leisured persons that these capacities (for culture)—and still more, the faculties of producing excellent works in literature and art—are likely to be developed and transmitted in any high degree;" from which it is inferred that in the absence of a rich and leisured class the growth of culture would be in danger of being checked.[2] But although this objection would probably apply to full communism and thorough-going equality, it does not apply to Socialism where some inequality of wealth is allowed,

[2] Pol. Econ., Book III. ch. vii. § 2.

and where considerable leisure, though more diffused, would exist; it would not apply to a Socialism gradually led up to, under which a better education would be given to all, and in which a certain amount of leisure would naturally attach to certain dignities and positions, as now. At present the rich and leisured (more or less) are perhaps the chief patrons of literature and art; books and pictures are addressed to them, but even now they do not furnish the highest instances of culture, and are not ideal patrons of the persons who are its ministers, of those who arouse its capacities, increase its range, or purvey nutriment to it. As to the inference based on past experience that it is only in a society of comparatively rich and leisured persons that the "faculties of producing excellent works in literature and art are likely to be developed and transmitted in any high degree," I would merely say that it would not apply to a Socialism under which there would be some inequality of income and some leisure, with education wider in subject, and deeper as well as more diffused than at present; while if the proposition implies that the rich and leisured, or their children, are more likely, not merely to be the patrons of literature and art, but themselves to produce excellent literary or artistic works, I am inclined, for the reasons already given, to think it the reverse of the truth.

How far art and literature which minister to culture would, under Socialism, be likely to be encouraged in the sense that artists and literary men would be paid from the public resources, are different questions which will be more conveniently considered when

we come to treat of unproductive labour; our chief object in this chapter being to consider the main objections to Socialism in general. But this much may, however, here be said; that neither art nor literature admit of much co-operative effort, nor can the means of production, which consist of the artist's or author's special genius, be collectively owned as land or capital can be; they must remain connected with individuals, from which it would seem to follow that payment by fixed salary would not be the best mode of assigning to them their remuneration; so that though both might probably enough flourish under a certain kind of Socialism, they would not easily lend themselves to the kind called Collectivism, with a system of fixed salaries. Especially would this apply in the case of art where the artist cannot be made to work his best to order, and where, though he would probably work for little if in the vein, his art being pleasurable in itself, he would also, as at present constituted, like good material wages, which would be better given him by the purchaser of his picture, whether the State, the Municipality, or the State official in receipt of a liberal salary, assuming that such would still continue to be.

CHAPTER VI.

In the Socialist State (*continued*).

THE DISTRIBUTION OF WEALTH.

I.

And now as regards the great question of Distribution, what is to be the rule or principle under the new Socialism? Can it lay down a juster principle than determines the division of produce to-day, that will be at once practicable and that will not result ulteriorly in having less to divide. This is the capital question on which the future of Collectivism depends.

As regards the production of wealth things go on very well at present. Labour, as a matter of fact, is already in general collectively or co-operatively organized so as to produce the greatest result, wherever it is most economical to have it so organized. The production, as a matter of fact, is very great and sufficient to give necessaries to all, comforts and decencies to multitudes, luxurious commodities to many. The only thing wrong as regards production, even according to the Socialists, is that expensive luxuries are produced for a few, necessitating much labour, which would cease under Socialism; but apart from this they have little improvements to suggest as regards production. Not so as regards distribution. The exist-

ing distribution, they say, is monstrous and iniquitous, a system of organized confiscation and plunder, partly by the capitalist employers who pay only half wages, partly by bankers, financiers and the lending class in general who get a share of profits in the shape of interest, doing little or nothing in return for it; then by a series of middlemen—carriers and distributors —who get their share for small, sometimes needless work, by raised prices or heavy rates, for which the consumer, who is mostly of the working classes, must finally pay. Thus, between the upper and the nether millstone of reduced wages which they receive, and enhanced prices which they must pay to middlemen, sometimes to monopolists and speculators, are the working classes placed, who really produce all, and for the most part transport all, while these same capitalists, middlemen, financiers, *rentiers*, speculators, monopolists of all sorts, flourish, not to speak of the landlords, whose rent increases while they do nothing, of the clergymen, who are either needless spiritual middlemen or the moral police of property, of the lawyers, etc., who do useless, perhaps injurious work, all of whom in the last resort have to be paid from the productive labour of the working classes.

Thus say the Socialists, in language very exaggerated, epecially as regards the employer of labour, but with a certain truth withal. For that the actual existing distribution now mainly made by so-called free contracts, but based on, and its inequalities made perpetual by, private property and inheritance, results necessarily in injustice, all are agreed, from extreme Socialists down to political economists like Mill and

Cairnes ; the latter of whom declares in his last book ("Leading Principles of Political Economy") that the present system had results not "easy to reconcile with any standard of right accepted amongst men." Not less emphatic is Mill's condemnation, often repeated in his treatise on "Political Economy;" and in fact there cannot be a doubt that Socialism derives its chief strength from a widespread belief that the present system results in injustices, which are condemned by the moral sense and contrary to the aims of right legislation.

What is the cure proposed by Collectivism? It does not believe much in partial State-Socialism, in Co-operative Production whether voluntary or State-aided, in Profit-sharing, or in Trades Unions. These would all leave the existing system substantially intact, while co-operative production and profit-sharing would still adhere in principle to the master evil of competition which, according to the Socialists, produces the existing commercial anarchy, necessitates low wages, over-production, sophisticated goods, and unemployed workers. These different remedies are not even palliatives; it is a doubtful point, they think, whether they are not mischievous by raising false hopes, delaying the true remedy, and setting the working classes on wrong roads. They can only, any one of them, be said to be good so far as they can be regarded as steps in the direction of the Collectivist ideal, as State-Socialism (in the narrower sense) in general is,—though not always; as for example, when it establishes small individual

proprietors in Ireland, or in the Highlands, instead of introducing collective ownership.

What then is to be the new principle of Distribution? That each shall receive in proportion to his works, by which Schæffle understands, "according to the amount and social utility of the productive labour of each."

The principle, though not unexceptionable, would seem to embody a working rule of Justice.[1] The difficulty is to apply it. How are we to know how much a worker produces in a cotton or linen factory where machines are working as well as he, and where the work of twenty different kinds of labourers is necessary as well as his to the final product? Where there is a common result from different kinds of human labour, from machine labour, and even from the gratuitous labour of natural forces, how are we to measure the amount of the product, thus due to such different co-operant agents, with which an individual is to be credited? The fact is, we cannot pronounce how much of the final product in yards of cloth any one has produced, not even if we attribute to the man the work done by the machine he merely tends, and we are obliged to be content with the rough convention, that each one's work—the quantity of his production—shall be measured by the number of hours of his labour, the labour being supposed by Marx to be

[1] The principle would not indeed be ideally just according to Mill: to give more to those who produce more, the strong and capable, is to give more to those already most favoured by nature. Nevertheless he defends it on grounds of expediency.

of common or "average" kind, though the standard is sufficiently vague, while skilled labour is to be rated or regarded as average labour "intensified or multiplied," which imports an additional vagueness and uncertainty into the estimate.

At all events, in the factory, every eight hours of this average labour, if there be any such, is to be reckoned as good and as productive as every other, whether like or unlike in kind. The formula "To each in proportion to his works," means, "To each in proportion to the number of hours of work," or labour-time, as, according to Marx, time is essentially the stuff of which the product is made. Labour-force is converted into labour-time, of which products are only a "congelation." Products are "congealed labour-time." Labourers in the factory who have worked the same number of hours are to get the same wages, the more skilled being reduced to the average by some, we are not told what, rule of conversion; while all other labourers, spinners, masons, miners, carpenters, are to receive the same remuneration as weavers, provided their labour is as near to the standard of average labour as that of weavers.

Now let us allow that it might be possible to tell roughly the number of hours of average work rendered by these labourers per day, or per week, or per year. The book-keepers and clerks might keep an account for each, and might give certificates for the number of hours or of normal days of average labour. The question is, How are we to give him his share of products proportionate to his certificates or labour-cheques? Before we can do so the values of all

products must be expressed in terms of the same unit. Instead of as now expressed in money, they must be expressed in labour-time: a pound of tea, a yard of cotton, a ton of coals must be priced or valued as so many units of labour-time, whether the unit be the product of an hour or of a normal day, as Schæffle prefers. Everything must have a price or value expressed in labour-time, or we cannot tell how much our labour-notes will fetch. But it will not be easy to determine the value of a given portion of any product in labour-time, because most products—wheat, coal, cloth, beer—are the results of a long series of different kinds of labour which it will be necessary to ascertain and add up. When, indeed, we have got the number of units incorporated in the total product, it is only a question of arithmetic to determine how much is contained in a given portion, as a yard, a ton, a gallon, or other definite quantity. The value of these in labour-time is given, and we have only to present the same amount of labour-cheques if we want to get them. The difficulty consists in keeping an account of the number of hours, in reducing different kinds of labour to average labour, and when all is done the question arises whether the present method of distribution, which is certainly simpler, would not also be juster on the whole, as well as assign to the worker a larger share.

The theory of value is, however, one on which great stress is laid by Socialists, and in particular by Karl Marx. According to Schæffle, the idea that labour-time is the measure of value "forms theoretically in the strictest sense the basis of

Socialism;" and he thinks the whole theory of value more important for the future of nations than any of Rousseau's theories.[2] It will therefore be profitable to illustrate the theory more fully, as well as to examine its applicability, for which purpose it will be desirable to see how the theory would work in a concrete case. Let us take the case of manufactured cotton goods: and for simplification, we may omit the series of labourers in America by supposing that an equivalent in goods has been paid for the raw cotton. All previous labour having been thus paid for before unlading the bales at Liverpool, we must first of all estimate how many hours of labour are already in this raw cotton, which we will suppose to be represented by the total number of hours in the goods given for it. (Of course if money had been given we should have to convert the money into labour-time.) We must then add the number of hours' labour of unlading, the hours of the dock hands and wharfingers, the hours of the draymen who convey it to the railway station, of the railway porters, of the guards and engine-drivers. All these mere carriers have a claim on the ultimate product, or on products in general, measured by their number of hours of work or labour-time—a very unequal measure indeed for the railway porter, and the railway guard and engine-drivers, the former of whom only bestowed a few minutes' hard work, and the latter no definitely measurable work on the goods at all, their time being spent in the general transport and care of both passengers and goods. But we are only at the commencement of the difficulties raised by making

[2] "Quintessence of Socialism," p. 81.

labour-time the measure of value. We will suppose a careful estimate made of all the additional hours added on to the value by all the carriers. Next comes the labour of so many spinners, which is divided into many successive stages, as well as many simultaneous operations ; unlike in kind, in continuity, in intensity, some difficult but intermittent, some light but prolonged : sometimes requiring the labour of strong men, sometimes better done by the defter fingers of young women, some parts of which are quite effectively done by the labour of children (at present paid in money at a lower rate) ;—are all these dissimilar labourers to be paid alike in future, is their labour all to be measured by the number of hours' work ? It cannot be said that we have here all common or average labour ; if not how are the different kinds to be reduced to average labour ? And it will be necessary to know, because otherwise we shall neither know the ultimate value of the cotton cloth, nor yet the fair share of the produce which each worker is entitled to, since the value of the cloth, as of all else, is to be measured by the number of hours of average labour embodied or realized in it.

We are not yet done with the difficulties. After going through twenty processes, the yarn is turned off the spindles and wound. It is then transferred to the weaving factory without any intermediate buying and selling, which would be one advantage of collective management. After twenty more processes, engaging many different kinds of labourers of unequal skill and intelligence, including foremen, clerks, overseers, managers, all the hours of labour of all will have to

be expressed in common or average labour; will have to be added up to get the total value; and will have to be kept separately in accounts so that each one may get his due number of cheques and no more to present against goods or services. Then, more carriers' labour will be required, as well as bleachers, and their contributions in time must be added on to the value estimate, because they, too, will have a claim as respects the total product. It will finally be conveyed to warehouses. It may then be made into necessary articles of direct utility; the values of each of which will have to be estimated by the book-keepers and valuers from the value in hours of the amount of material in it, together with the additional hours of the seamstress, whom, on Marx's principles, we must suppose aided by the sewing machine, as the latest social and technical aid to her labour. As to the book-keeper's own labour I will only say that, however difficult it would be to measure it on the theory under consideration, it will be very real and responsible.

If the question be raised, what is Marx's standard of average or common labour, it is not easy to reply. It is not a real objective one, as the labour of the carpenter, the mason, the ploughman, or any other. It is something lower, simpler, and less skilled than the least skilled of these. There is no formal definition of it, but it is described as "the expenditure of simple labour power, i.e. the labour power which on an average, apart from any special development, exists in the organism of every ordinary individual." "Skilled labour counts only as average labour intensified, or rather as multiplied simple labour, a given quantity

of skilled labour being considered equal to a greater quantity of simple labour." It is further described as "mere human labour, simple average labour," finally with a nearer approach to light, though not quite to definiteness of conception, which is what is wanted in a standard of comparison, it is "simple unskilled labour,[3] to which the different sorts of skilled labour are reduced as their standard." He adds, "for simplicity's sake we shall henceforth account every kind of labour to be unskilled labour ; by this we do no more than save ourselves the trouble of making the reduction ;"—a saving of trouble much to be regretted if, as implied, the reduction could have been made by Marx.

The standard then is simple unskilled labour, of which, however, it is not easy to get examples in the concrete, especially as nearly all labour requires the aid of some implements and some degree of skill, however faint. Perhaps the rude labour which a "man out of work" could do or could learn to do in a few days might be supposed to furnish examples. But even this should not be labour requiring exceptional strength as that of the navvy or dock-labourer, for this would not be average labour, or "the exercise of labour-power which exists in the organism of every ordinary individual." The first difficulty is the want of a clear and definite conception of the standard, before we can hope to reduce other kinds of labour to it. The standard remains an ideal thing, an abstract or general conception, while we want a definite con-

[3] "Capital," vol. i. p. 11.

crete conception, as of such a kind of work for such a length of time.

The next difficulty is to reduce the many different sorts of skilled labour to this standard. And confining ourselves in particular to the different kinds of labour in the factory, all of which are above this unskilled labour, how are we to reduce them? We must first reduce the labour of the ordinary operative to it. But by what rule? How much is it to be rated above average labour? Then comes the skilled labour of the manual sort: this has to be reduced to average labour. Is it to be twice or thrice, and why? Then where intelligence is of importance, how is the labour into which it enters to be expressed in terms of average labour?—the labour e.g. of the foreman and overseer, or of the clerks who must correspond in foreign languages, or finally of the owner or manager whose work in organizing and directing is altogether intellectual and moral? And yet all these labourers are required to produce the final thing, or what is equally necessary, to find a market.[4] All the labour must be rated in hours of common or average labour, or we cannot tell what is its value on Marx's principles; and if we do not know its value, we cannot tell the value of a given portion of the product, nor by

[4] Under Collectivism, indeed, there would be no labour necessary to find a market at home; and much of the above labour would be spared; while the high ability now required to distance rivals would find no proper scope. There would still, however, be some business ability of this particular kind required to find the best foreign markets for our manufactures; while all other kinds of ability tending to increase production, would, of course, be as much needed as before.

consequence how much of it the different workers can get in exchange for their certificates for hours of work. We have no Law of Distribution, to get which was the chief object of this theory of value, none, save one impossible of application—that each one should get in proportion to his work, or as much of the objectified time-products as he had given in average labour-time.

Thus, then, we see that even with respect to the workers of a single factory, hours of work would be an imperfect and unequal measure of work. Even if it could be applied it would very imperfectly realize justice, which is the object in view ; while it could not be applied without the greatest difficulty. The difficulty increases if we compare the labour in a given industry with the labour of connected or subsidiary industries, the labour of weaving with spinning, or with the labour of transport or circulation of the product ;—still more, if we compare one kind of productive labour with another ; agricultural labour with mining, or with carpentering, weaving, or navigating a ship. The difficulty of comparing in this way productive with unproductive labour is too obvious, e.g. the labour of a magistrate and a business manager, or of a soldier, a school-master, and an artisan, while, with respect to some kinds of unproductive labour, though highly important, time has little or nothing to do with the work or its value.

The fact is, that where time as a measure is applicable roughly, it is already applied, and workers for the same time in the same species of work *are* paid by time and paid the same amount. In other cases

where it would be impossible to tell how many hours they have really worked they are still paid by time —the day, week, or month. They are paid a certain amount per week agreed on for their work, without the vain attempt to estimate how many minutes or hours of their work is objectified in the final material product. In other cases again they are paid not by time but by the job, or for the special service, where the time-consideration is not the important point.

II.

AS to Marx's theory that skilled labour is ordinary labour intensified or multiplied, we must ask in what sense it is common labour multiplied or intensified?

An hour's labour of the skilled sort is not two or three or any number of times as severe or painful, or disagreeable, as an hour of common labour, it is probably less so, possibly it is even pleasant, though even were it otherwise, there is no quantitative measure of these degrees. Nor can we say that skilled labour requires greater muscular effort, of which there is a quantitative measure in the number of foot pounds lifted a given height. Thus estimated, we should have to reverse the Marxian proposition, and say that average labour was skilled labour multiplied. But perhaps skilled labour consumes greater nervous, including brain energy, though less muscular effort or energy, and that taken all together the quantity of energy consumed by skilled labour is greater. Now it is, perhaps, true that there is a greater quantity of energy on the whole consumed by the skilled than the unskilled labour, but science

as yet is not able to state the law of relation between muscular and nervous energy, nor by consequence to tell how much of one sort is equal to how much of the other. It is not even able to measure nervous energy other than muscular. The muscular effort, the dead strain of lifting a weight through a height by a navvy or a dock-hand it can measure, not the various efforts of the worker in a skilled art, all directed to realize one end; some slight and delicate, some more tense, some drawing on the brain, some mechanical but deft, as in the arts of the weaver, the working jeweller, or any other. Here there is no measure of the quantity of the energy or of the quantity of the labour, consequently no possibility of comparing this kind of labour with common labour, which consists mainly, though not altogether, of the former kind of effort. To take examples, how many times is the labour of the carpenter, the sailor, the type-setter, the weaver, the working jeweller, the carver in wood or stone, more than Marx's unskilled labour? There is no common quantitative measure or rule for unskilled and skilled labour, and the unskilled cannot be made a standard, for the other cannot possibly be converted into it. And as for skilled being common labour intensified, this has been refuted by implication in the above, because in considering all possible differences in quantity we were thrown on differences of degree, as the only conceivable way of trying to estimate differences of quantity. We have considered all respects in which they could be imagined to differ in intensity, namely, in severity of effort, or in painful-

ness in general, with the result that if any proposition could at all be laid down, it would be one the reverse of Marx's, that is, that unskilled labour is skilled labour multiplied.

By intensity of work, indeed, Jevons understands degree of painfulness, and as skilled labour is undoubtedly in general more pleasant or less painful than unskilled, by this measure of intensity, common labour would be skilled labour multiplied. An hour of common labour would, perhaps, be two or three hours' skilled labour, and in the Socialist field of industry should be paid accordingly, which might be glad tidings for the poor, though not contained in the gospel according to Marx.

We must emphasize this point, because it is fundamental with Marx and the Socialists, and with the failure to establish it, much goes down. The Marxian theory of value goes down; which makes value depend on the quantity of labour, because it requires a reduction of skilled labour to unskilled, and we see that this reduction cannot be made, in any single case, save arbitrarily. It must be laid down arbitrarily or assumed. We could not, therefore, tell how much of one commodity would be equal to how much of another save arbitrarily. At present, we do at least know something as to what determines the normal values of things. We know, at least, where there is no monopoly, that they depend on the money expenses of production, while demand has something to do with them. In the Collectivist Commonwealth there would be no law of value except what it pleased the rulers to lay down, on

some imaginary principle or on none at all. Further, there is no law of Distribution. So long as we could say that any particular skilled labour was three times or five times unskilled or common labour, there would be a reason, and even a necessity on the Socialist principle of "to each in proportion to the amount of his work," for unequal wages in the same proportion. Each one is to get in proportion to his hours of average labour, and since the skilled counts as so many times average labour, the skilled worker must be credited with so many more hours of labour in his labour certificates, and will have a correspondingly larger order on the general stock of commodities. But the moment the fallacy of the whole doctrine is shown, the reason for giving higher wages vanishes, while the question is raised whether it should not be the unskilled that should get higher wages, on the ground that it is skilled labour multiplied—multiplied in painfulness, which is Jevons' mark of intensified labour, or multiplied in muscular effort, the only circumstance connected with the theory of which we really have a quantitive measure.[5]

There would thus be no reason for the skilled receiving higher than the unskilled on the theory in question. Even if the skilled could be shown to be common labour multiplied, still if the acquisition of the skill be paid for by the State, as it would

[5] I add that Ricardo's Theory of Value, the supposed rock on which the whole theory of Marx reposes, goes down by the preceding analysis equally, and is proved to be a very sandy one. The values of things do not now depend, any more than they would in the Socialist kingdom, on quantity of labour.

be under Collectivism, and if the exercise of the art be at least as agreeable as ordinary labour, as it evidently is, why should the State pay higher wages? Having already given the craftsman an advantage in training him to more agreeable work, because more suitable, why should it give him threefold, or fourfold the common wages? The Collectivists see the difficulty; they are much perturbed and divided by it, and the more advanced ones boldly say that the wages must be equalized. But if skilled and unskilled are to be paid equally, so should be the industrial chief and the generality by the same reasoning, and we have before seen what the results of this would be as regards production. If you pay the chiefs low, you would not get them to exercise their ability, you would take away all their spring, energy, and initiative. Why should they take trouble? They are not angels, not the high beings postulated, nor likely to be for 500 years; at any rate, for a much longer period than the "couple of generations" which some Socialists think sufficient to work the miracle of transformation in them, however it may be with the savants, artists, or men of letters.

On grounds of ideal justice the State could not pay more to the skilled than to the unskilled, nor to the captain than to the workers, but on grounds of general utility or expediency it absolutely would have to do so: it would have to pay sufficiently to make all who have any ability above the ordinary exert it to the utmost. If it did not, they would not exert it, they would take the minimum of trouble, and that for a sufficiently long time to come, to destroy the common-

wealth. Pay the engineer and architect badly, and bridges will be badly constructed, and Town Halls ugly. Pay the captain of industry badly, or reward the inventor poorly, and produce will diminish, diffused poverty result. Abolish the hierarchical gradation of dignity and payment in any direction, in education, the military service, the civil service, or any other, and the whole State would suffer grievously; above all in industry its abolition would be fatal, and bad, not merely for those above, but for those lower down. The more clear-sighted of the last indeed would themselves soon revolt, and would demand to be "led back again to Egypt," or the old industrial order.

For every ascending grade of skill there would be necessary higher and higher wages, because otherwise there would be no sufficient stimulus to higher endeavour and superior achievement.

Even if all were educated and trained at the expense of the State, so that the best would owe their exceptional skill and science partly to the State as well as to gift from Nature, it would still be necessary to pay them higher. It is no doubt a case of "giving to him that hath," to pay exceptionally the man already exceptionally gifted by Nature. It is not ideal justice, which would seem to require less material reward for the person with higher qualities, the exercise of which is pleasurable, and Mill even seems to think that men should in this way redress the inequalities made by Nature. So also Louis Blanc, who prophesies a time when men of superior capacity will feel that their superior gifts only

entail higher duties. However, Nature makes the primary inequality in making one man cleverer than another, one woman more beautiful than another, and under all human societies these gifts from Nature will insure further advantages to their possessors, while in certain spheres, especially in the industrial, natural ability must bring greater material or money rewards, for the simple reason that its possessor prefers such to anything else, and society will find it its interest to give him what he desires. And there is a sort of justice in it after all; if he is the means of increasing society's material products in a greater proportion than other productive labourers, he is entitled on that score to a liberal share of what would not exist but for him. This is the final defence for his higher share.[6] He causes more to exist, therefore he should get more. And the like applies to the man who increases the sum of useful services or conveniences, since men have wants and desires, which are gratified through services, actions, efforts, where no material thing is in question.

[6] According to Prof. F. A. Walker, the share of the director of industry (*entreprencur*) is a *creation* due to his ability. This is certainly true in part, though it would not be easy to prove that what he adds to the general wealth is precisely what he gets, which, in the case of his class, is a certain percentage on the capital managed. The amount of this can be known roughly from income-tax returns, but how much he contributes it is wholly impossible to measure; all we can say is that it is considerable, and may be very great, judging from a comparison of countries where the class is present and active, like England, with countries where it is small or non-existent; the former being wealthy, the latter backward in material progress.

These considerations justify unequal wages, and high wages to the captain of industry, the discoverer of new processes, the inventor of new and more potent methods, the supplier of new wants, the constructor of great material works; though they do not apply to justify excessive wages to any of them, nor to justify the gains of the successful speculator, or of the rich monopolist who has taxed the public for his high profits, or any of the rich parasites of industry.

It would always be the interest of the State to pay high if the work be necessary ; if few can do it well ; if they will not do it well without the high wages. This is the case especially in industry, for though business qualifications are more widely extended than certain other kinds, still the best will be required, and the best will be limited. The ability of the industrial chief is not perhaps of the highest kind ; but it will require to be specially well paid, because it is closely related to material wealth, and abundant material wealth lies at the bottom of so much else and so many higher things as their necessary condition.

The weak point in Collectivism is here. The Collectivists began by affirming that they have a perfect and self-acting law of distribution, connected with their theory of value: each is to get according to his works ; his work is measured by the time he works, which will command products, or services representing the same time. Skilled labour is common labour multiplied ; so presumably is the labour of the industrial chiefs. So, too, according to some Socialists, is professional labour, from which we would naturally

infer unequal reward. But when all are educated by the State, it seems that equality of reward is to be the rule, at any rate there is to be a great levelling. "Then perhaps an hour's work of the teacher and an hour of the hod-carrier's work will be paid for alike—though it must be observed that in difficulty the teacher's work does not at all resemble that of the hod-carrier,"[7] from which one darkly gathers that the teacher ought in justice to get less. The real point and the true principle is missed, that those who have a special gift, who are consequently comparatively few, must for the general good get higher wages, while those who have only ordinary capacity should get less. Extra difficulty or disagreeableness or risk, in the commoner kinds of labour, should, no doubt, on grounds of justice, entitle the labourers to higher wages, it is impossible to say how much higher, but hardly so high, one would say, as those in the next grade of skilled labour requiring more special natural aptitudes ; certainly not so high as the specially gifted in any grade.

III.

LET us try this theory of value and this principle of distribution a little further. Each is to receive according to the number of hours' work. What is the stimulus to an individual to produce much, since his wages depend on the time he labours, not on the energy, intelligence, or economy of his labour? What in a particular factory is the stimulus to all, since if

[7] "Co-operative Commonwealth," p. 146.

they produce more, its value is measured by the number of hours' labour, not by the amount in yards of cotton? If they produce much they will fare no better than the operatives in a neighbouring factory, where they work slack. In fact, would it not be the obvious and direct interest of all not to increase production, but to work leisurely through the day? The answer of the Socialists is,[8] that if every one works slack there will be less produce to divide; all will get less. Very well; all would then only be foregoing products for easy labour, so agreeable to man, unless the whip of necessity is over him; and all might even become indolent, as in hot climates they always do. But there is a direct temptation to the members of one industry to labour less, because, if they produce more than before, the total product does not rise in value. It does not enable them to command more of other commodities, but only of their own products so far as they purchase it. The inducement at present to increased production on the part of the capitalist at least, is that for a time the value and price of a definite portion will remain the same, and he will profit by the extra production. It would not be so under Socialism. Schæffle indeed proposes "premiums" to stimulate to extra production. But does not this allow that you cannot get good work out of a man unless you give him a direct and palpable return for it?

Another point: suppose by premiums or bounties that the product in any given industry has been stimulated; suppose there is too much produced—

[8] Schæffle, "Quintessence of Socialism."

more than people want, omitting the consideration of foreign trade for the present;—the value of the surplus would either have to fall, i.e. the Socialist theory of value would have to be given up, or if not, the things, if perishable, would spoil in the warehouses, or the supply of the next usual period would have to be diminished. But how? Less workmen would be required in that industry, or they would work only half-time. What would the superfluous workmen do? They could not be idle. The State would have to find *some* work they could do, in which the product was less than the amount demanded, and send them to it; or if they objected to move, it would have to support them wholly or partially; that is, we should either have compulsory ordering and transfer of the workers, i.e. no free choice of residence, or public support for a time in their own town, or public work would have to be found of a kind that most of the unemployed could work at; and thus, our chief social problem would still confront us.

The State could only adapt production (supply) to demand in a given industry on condition of increasing or lessening the workers or the hours of work; and it could not readily transfer the workers from one industry to another at all, nor do it to any purpose, unless it had the power of transferring them where it pleased; of ordering perhaps the superfluous agricultural labour in Dorset up to the collieries, or sending the temporarily superfluous shipwrights of Sunderland to the kind of labour elsewhere most resembling their own, or setting them to make chairs or tables

in their own district. But perhaps the State could check the "vagaries of demand," as the Socialists say, so that the quantity required could be kept tolerably steady without these dislocations of trades and moving of masses of labourers. The vagaries of fashion and of demand at home might be reduced, but not the accidents of seasons, nor the demand from abroad.

If a harvest is defective say by one-third, the value of the whole representing the same hours of labour would be the same as in preceding years; a loaf would be worth one-third more as compared with other things; but might it not be worth far more (omitting for the present the possible importation of corn)? Could the State so order it that a given quantity of wheat shall not rise higher than one-third estimated in the labour cheques?

What is to prevent individuals in the supposed case from buying an extra quantity of wheat, and selling it later on for far more labour cheques when the pressure comes to be felt; as some people would be willing to give more than others to have their customary quantity of bread, and would give far more than one-third more to secure it, especially would the working classes for whom it is the chief staple of consumption. If the Government *could* keep the price of a necessary, so that it would not rise more than in proportion to its deficiency, it would do good on the whole, and perhaps we have here a case where Socialism would work well. It is the old attempt of the French Revolution times to fix a maximum price for bread; the difficulty is to make the maximum

effective, when people *in general* do not want it fixed, and are willing and eager to offer more.

However, this particular difficulty of a defective harvest we have largely got over by our free import of corn which keeps its value pretty steady, and so no doubt it might be under Socialism if corn were imported as much as now.

And this brings us to the question of foreign trade. Under Collectivism it would be carried on by State officials, and the chief advantages of it, according to the Socialists, would no longer be reaped by producers and exporting and importing merchants, but by the community. No industry such as the cotton or linen would specially profit by its superiority. The profits resulting would go to the national treasury; from which it might be inferred that new foreign markets would not be readily opened for our products, nor would our custom in the old ones be extended, unless indeed the State gave Schæffle's "bounties" to those industries that did the largest business with foreigners, and at the same time allowed a rather free hand to its foreign agents and correspondents: that is, unless it departed from its strict principle and approached the present system: for certainly in no direction are the advantages of freedom of industry and private enterprise greater than in all that relates to foreign trade.

Another point;—the State, through a special department, will export manufactured goods, and must take either foreign goods or money in exchange. In general only the difference of value between the total exports and imports will be paid or received, as now, in gold

or silver, a certain amount of which the State must have in reserve, though the precious metals for home uses are to be dispensed with. When the State sells to foreigners it will be obliged to put a money value on the products, were it only for the reason that foreign states (unless they also are socialistic, and estimate values in labour-time) will reckon the values of their goods in money. But it would be difficult to reckon our products in money once the payment of wages in coined money has ceased ; and the comparative values of cotton and tea or wine would have to be fixed wholly, as they now partly are, by comparative intensity of demand, apart from a money estimate.

What an amount of confusion would result from the impossibility of the rapid comparison now made by the money price set on things it is easy to see. We may safely say it would clog the wheels of commerce to an excessive degree, and that England more than any country would suffer from it. Trade which, between countries using gold or silver, is now barter of things, obedient to a rule having reference to money prices, would become the blindest barter, governed by no rule, but one impossible of application, namely " comparative intensity of demand."

No doubt in time *some* rate of exchange between yards of cotton and pounds of tea might grow up, but it would be a different one from that which would exist if both countries used money, and put a money price on their goods. Supposing, however, the tea acquired at some rate and brought to England, what is to determine its value? Not certainly the number of foreign hours of work, the foreign labour-time,

incorporated in it. Will it be the number of hours in the cotton goods that were exchanged for it? Yes, Mill and Ricardo would say, for that is what determines it now; it is the cost of production measured in the amount of labour, or in the number of days of labour time in the things exported which fixes the value of the imported goods. We will suppose the orthodox theory correct;[9] that a certain amount of cotton and

[9] Ricardo's theory of foreign trade, amended by Mill, is far from satisfactory. According to Mill, the value of an imported commodity in England does not depend on its cost of production in the foreign country, but on the cost of production of the exported goods given for it. "The exchange value of a pipe of wine in England will not depend upon what the production of the wine may have cost in Spain, but on what the production of the cloth exchanged for it has cost in England." But as a matter of fact the value of a pipe of wine in England *does* depend on its cost of production in Spain *measured in money*, plus something due to cost of carriage, customs' duty, and importer's profit. But by "cost of production in Spain," Mill means the number of days of labour spent in production; by cost of production in England in like manner he means the time taken; in short, he measures value and cost of production by time or quantity of labour, which was the wrong theory of Ricardo, corrected by himself into his own, that value depends on cost of production, measured by wages and profits—that is by money. The value of the wine in England does then depend on the money cost of production in Spain; on the wages and profits which fix its price in Spain; it does not depend on the hours or days of labour taken to produce the cloth any more than the wine, both of which would be nearly impossible to estimate, as we have seen in the text. In all cases the money estimate or price is in the minds of importers and exporters, even when they appear to barter directly (supposing both countries to have money): it is the state of prices which determines the ratio of exchange. If there were no money prices, foreign trade would

other goods, without any money, has been exchanged for the tea ; the total value of the tea will then equal the total value of the cotton and other goods, from which the value of a pound of tea can be found. Thus, if the cotton and other goods, the result of a quarter of million days of average social labour, have been exchanged forone million pounds of tea, the value of a pound of tea will be a quarter of a day's labour ; or one day's normal labour will command, or be equal to, four pounds of tea. The State may fix values accordingly. But now, suppose only half the amount of tea is demanded at that value or rate. The State officials, the Bureau of Trade would have to lower the value to call out extra demand ; that is, do what changes in market value now do ; or if they adhere to the fixed value, they must import less next year or next half-year, which would imply less exports of cotton, etc. It would have to lessen purchases, that is lessen exports of cotton, and lessen the labour employed at the cotton manufacture, otherwise there would be too much produced, and values of cotton would fall at home, or if arbitrarily kept up the goods would not be consumed. We have the old difficulty, or rather impossibility, of keeping values fixed.

The values of things can only be kept fixed by changing, in some cases, the quantity produced, according as changes occur in human fancies or habits ; in other cases, as in that of a necessary of life, like corn, where a tolerably fixed quantity is strongly desired,

become nearly impossible, or would be reduced to very small compass.

and will be had before all else, but where more than that is comparatively useless, a deficiency in the quantity must necessitate a rise in value, a rise in what people would be willing to offer, and a superfluity a fall, and even a rapid fall—if all is to be consumed. The fall could only be prevented by the State setting aside for future needs the superfluity from a prosperous harvest; the former could not be prevented by the State, because so long as private arrangements could be made between parties, the persons with the strongest desires would find means to get as much as they wanted. The rise of value might, however, be mitigated to the general good by the State's preventing certain speculators and monopolists taking advantage of the deficiency and turning it to their special profit. Wherever there are rings, combinations or syndicates controlling a necessary of life, who would thus have the power of aggravating a real scarcity, and by acting on the fear or imagination might create a greater rise than otherwise would take place, or who might produce an artificial scarcity,—the State, by controlling such, or stepping into their place, could minimize the evils of the scarcity, and prevent a great rise of value to the general advantage, especially if it had saved from former years. But it could not keep values fixed unless it could alter human nature.

IV.

THUS, then, finally the Marxian theory of value and "theoretical basis of Socialism" is vicious as a theory and inapplicable in practice: the values of things in a

Socialistic community would have to be arbitrarily fixed by the authorities. Even when arbitrarily fixed they could not be kept so, any more than now, though it would be necessary to keep them fixed, much more than now. There is no principle of distribution contained in the theory of value, because to get the value of any product, the comparative worth of the different kinds of labour must be presupposed. The values of things cannot be pronounced till we have already decided how many times skilled labour is more than unskilled. The principle of distribution is assumed, when we lay down the proportion between the different kinds of skilled and common labour. If my skilled labour is rated three times common labour, then my day's labour, or my year's labour, will command three times as much, that is, the Law of Distribution is already assumed, and, as before said, it must be assumed arbitrarily, since there is no common measure of the comparative quantities of labour.

I by no means say that Socialism, even in the form of Collectivism, might not lay down some principle or scheme of distribution juster than the present, and which might be practically applicable. I only say that there is none contained in Marx's principles or in his theory of value, while the one vaguely foreshadowed by some Collectivists of something like a rude equality would be absolutely impracticable, though if it could even conceivably be carried out by a relentless despotism, in which chiefs more ascetic than St. Just or Robespierre, and officials more incorruptible, all willingly accepted the rule of equal shares, and determined to carry it out, the

result would be to bring society speedily to poverty, and to send civilization back to its cradle.

The equality would certainly not bring liberty with it, still less fraternity. It would not bring contentment nor peace, assuming that human nature had so far changed as to acquiesce in the thing even for a short space of time.

I by no means imply that the great inequality of the present system is all for the best; nor that the existing distribution of wealth, dependent partly on Free Contracts, partly on our property laws, is ideally just or perfect; far from it; but it is better and juster than the rule of equality would be, which is one principle of distribution proposed by the Socialists, while it is at least practicable, which cannot be said of the other Socialist principle of, "To each in proportion to his works."

A better distribution than the present, and having more reference to equality, is possible, without breaking so completely with the present system as Collectivism proposes. It can be done by the State; by taxation, legislation, and otherwise, while still leaving large Freedom of enterprise, as well as Freedom of Contract between employer and employed. And though equality of reward would be bad, something like equality of start and of opportunity would be good, and could be secured for the competitors by the State. The State, moreover, in its own interest and for the general good, could favour Nature's inequalities, even at the risk of levelling a little social inequalities or the inequalities of fortune; it could sift out and select Talent of all kinds, even assisting it if

necessary by funds for the purpose, without looking for any other return than the natural results to Society of this educated ability. It could even, by extended State management, and by an enlarged public service, provide places for the best, without largely curtailing private enterprise.

A Society in which, at all events, the shares of each would make a nearer approach to "fairness," in which the evils of Freedom of Contract, of private property and of competition would be tempered by considerations of Justice, is possible, without any need of adventuring into the *terra incognita* of the Collectivist State, in which we should all get either equal shares, or shares fixed entirely arbitrarily by State functionaries; and in which, while much would be doubtful and at hazard, it is most probable that the working classes, even with Rent and Interest thrown into the general Wage Dividend, and the present great Wages of Management of employers cut down, would not after all secure so large a share as they do under the present system, imperfect as it may be.

CHAPTER VII.

In the Socialist State (*continued*).

THE SUPPRESSION OF MONEY AND MARKETS.

I.

It is the special boast of the new Socialism that it would effectually kill all the parasites of industry which riot to-day under the abused name of Freedom of Industry or are sheltered under our property laws. First would go the landlord, the land becoming collective property, then the capitalist employer, who, however, as regards his profits, is rather viewed as the spoliator of the labourer than a parasite of industry. Next will go the mostly unnecessary middleman, who interposes between producers and consumers, and by his profits swells the price on the latter for little or no real service. Then by the abolition of markets in general and market prices, the chance of the general speculator and cornerer will be gone; by the suppression of private enterprise and investments, and by the consequent abolition of the stock and share market the financier, the company promoter, the director, the monopolist, the "*rentier*," the speculator on the stock exchange, and numerous other types will lose their opportunities; and, lastly,

by the abolition of money and the money market, the prohibition of loans at interest and of all credit transactions involving interest, the functions of the banker and bill discounter and of the money-lender will no longer be necessary. Money, credit, stocks, shares, bonds, debentures, will no longer exist, and all at present connected with their manipulation, the "whole unclean brigand aristocracy of the Bourse," as Schæffle rather severely and indiscriminately styles them, will be compulsorily retired.

And a good riddance, many would say who are not conscious Socialists. The question is how far such sweeping change could be carried out, and how far it would be really desirable. In the first place, as regards the middlemen, even under Collectivism there would be some required. There would be carriers, and there would be official distributors in the State magazines, though agents, travellers, and the advertising sheet would be unnecessary. The number of the distributors would not be so great as now; moreover, they would be paid in proportion to their hours of work, and presumably according to ability, though there would be much less scope for the kind of ability that at present secures large fortunes, which consists in the various methods, good and bad, of widening one's connexion, but for which there would be no proper scope under Collectivism. The distributors would be paid less, and there would be less of them, wherein would lie the chief gain to the public.

At the same time it must be noted that the process of eliminating unnecessary intermediaries, of diminishing the series as well as the numbers in each series,

has been going on for a considerable time, and is now proceeding even more rapidly. Not only the great co-operative stores and the mammoth "providers," such as Whiteley's, have reduced the number, but at present, by the formation of Trusts and Syndicates, which are at once producers and distributors, the number of middlemen is being further reduced ; the general result being that the displaced small traders and other middlemen lean rather illogically to Socialism, which theoretically condemns them, but which at the same time is the general refuge of all the victims of the present order.

As to the proposed abolition of money, I venture to doubt its possibility, so long at least as the labour cheques are issued and are transferable. Coined metallic money could, under certain conditions, be dispensed with in the Socialist State for internal uses, as it has been wherever inconvertible paper has been used for money, and as it even now is largely replaced by paper substitutes—bank notes, bills of exchange, cheques, and book credit. Under Collectivism the labour cheques would take the place of money ; they would be an inferior inconvertible paper money. They would acquire the functions of money, as at the outset they possess its two principal ones, that of being a measure of values, and—if not precisely a medium of exchange, as exchanges will be nominally forbidden—at least a means of purchase, a means of procuring what we desire at the warehouses, or such services as we need. The labour cheque would be a general order on goods or services, which, according to Adam Smith and Mill, is the essential

thing in money. It would be general purchasing power in whosesoever hand it may be. And if the State produces all desirable things, or nearly all now procurable with money, and if on presenting labour cheques in sufficient number I can command any of these things, what more, it might be asked, can be desired, what more can be done with money now?

The cheques would indeed be money; but would they be good money? They would fulfil some functions, would they fulfil all? Would they have that steadiness in value which it is desirable that a standard and measure of value should have? They would not possess this desired attribute of steadiness. They would be liable to all the evils of inconvertible paper, together with certain indefinite evils peculiar to themselves. We have seen before that it would be impossible to keep the values of things with reference to each other invariable; that the arbitrary assessment of values according to the calculated labour time could not be maintained. It is now to be shown that not alone would values alter, but that the labour cheques for a day's work would more and more be discounted on presentation, whether at the warehouses or to the dispensers of services. They would procure less and less. So far as there is saving and accumulation of the cheques, there would be a constant increase in the outstanding uncancelled cheques, and so far as they were offered for services or passed as money from one to another, that is, so far as they formed a circulating medium, they would fall in value. More would be demanded for a given service; and, spite of the good will of the State to fulfil its engagements,

it might easily happen that more of them would be presented at a particular time, say of deficient commodities, than the State could give the promised equivalent for, so that it would be obliged to discount their value. So long as any saving and accumulating went on at all, so long as they passed at all as money, the State could never be sure that it would not have to discharge them by offering less than their nominal value. It could only be sure if all the cheques were presented daily or weekly by whoever possessed them, and were then cancelled: otherwise the constantly-increasing outstanding amount forced to do duty as money, not only when services were purchased from private persons, but on other occasions, would necessitate their depreciation. Moreover, they would increase in the hands of some who would present them for payment. To the extent that saving and accumulation went on it would be at the imminent risk of depreciation and even of eventual repudiation. The cheques would be constantly increasing, the goods and services not, or not in the same proportion.

In fact immediate consumption, or at least immediate realization of the value of the cheques within the week or year to which so many other considerations would prompt, would be the only wise policy under Collectivism, the future of savings, especially of saved labour cheques, being so uncertain, liable to discount, and even to repudiation, total or partial. There would certainly be a great temptation to the State to apply the sponge of repudiation periodically to accumulated outstanding cheques or obligations, because such constitute a claim on it that it could

not meet in full if many were presented together, since it has only got the yearly revenue and the inalienable collective capital on which it cannot admit any mortgage. In fact the more the cheques accumulate, the less could they ever be discharged in full. There would either be depreciation of the cheque, which would injure all, especially the average workers, or depreciation would be avoided by a periodical cancelling of accumulations.

But even supposing the Government could escape these dangers, could perform the miracle of maintaining stability in the value of the labour cheque and respecting private savings, there would be another danger. The money, the cheques would certainly accumulate largely in some hands, though to prevent accumulation is the reason why gold and silver are to be banished. It would accumulate not only through the inequality of remuneration shown to be necessary and even allowed by Collectivists, but also by the permitted gifts and bequests. Still more it would accumulate in some hands through speculation.

For there would be speculation, and much speculation, in the Socialist kingdom. More especially as there is nothing to prevent persons from buying more of things whose value was expected to rise, and selling them or realizing them later against a greater number of labour cheques; and we have seen that as the value in use of things constantly varies, the exchange value, or the assessed value, must change. The market value, which shifts with the varying utility of things, would still ideally exist, and would be constantly rising or falling above the

assessed, or fixed, or cost value. There would be private buying and selling and speculating, because the speculative—which is closely connected with the gambling—spirit is so strong in so many. Money would be won and lost, and the necessitous, the losers, in spite of all prohibition, would offer high interest to whosoever would advance money in the hour of need. It is even probable, so long as no interest could be made legitimately by any investment of money, that this gambling and speculative spirit would be enormously increased, as it is well known that low interest under the present system tends to encourage a speculative spirit, which has frequently issued in crises. What would it be if there was no interest at all? There would be no legal or open money market or general market, no recognized function of banker, and all would be done in evasion of the law. But there would certainly be speculation, and there would soon be evolved an individual type to facilitate speculation to speculative buyers not a few, just as surely as the bookmaker has been evolved to facilitate betting. There would certainly be found a money-lender, who as surely appears as there are men in pressing money difficulties, out of which the money-lender can help them for sufficient consideration. No laws could prevent speculation, or money-lending for interest, so many people being interested in violating or evading the law.

Of course, as the stock and share market would be abolished, gambling in that particular quarter would so far be done away with; and speculative buying and selling of products would have a narrower

field. But much speculative buying and selling there would be, and much more pure gambling and betting and staking money on events more or less uncertain. This we can scientifically predict, so long as the gambling instinct is so strong as it is in England and America, and most civilized countries, so strong, indeed, that life would be insipid to many without the excitement of gambling, while to the majority, in milder form, it gives a pleasure and a flavour. Speculation is now mixed up with the whole of business and with a large part of life. Every race, every card party testifies, as well as the Stock Exchange, to the universality of the spirit which, immoral as it mostly is, is nevertheless closely connected with and shades into a good spirit—the spirit of adventure, the spirit which says, "Nothing venture, nothing have," or, in Scotch, "I'll mak' a spoon or I'll spoil a horn,"—a spirit characteristic of superior races and individuals. The notion, then, that the spirit of speculation could be stamped out under Socialism is chimerical. Repressed in certain quarters, it would find other vents, some of which it is not difficult to foresee.

As there would be no private enterprise, and no possibility of investing our labour-cheques so as to get a legitimate increase by way of interest, no speculative buying and selling, and no partially speculative investments, where, by the exercise of skilful judgment individuals might make money or get high interest,—there would be a great increase of wagering, gambling, and pure speculation as the only means of increasing the shares; whereas if the State offered interest and used private savings productively, or per-

mitted private undertakings of a promising though risky kind, there would be less pure speculation and more real wealth created. If, in short, people can get no interest for savings and are not allowed to invest them productively, one or other of two things, both bad, morally and materially, will result: either extravagant unproductive consumption of luxuries, or speculation, whether of a wholly gambling kind, or such gambling as that on the turf, where there is room for special knowledge and skilled judgment, which make some certain of winning. And this last species would probably take the place of the Stock Exchange speculating. Both speculation and unproductive consumption would flourish, and the former would receive a great additional stimulus so far as the labour cheques were in danger of depreciation, as we have shown they would be. "Let us eat and drink" would be the probable philosophy, and speculation would give flavour and excitement to the banquet; though it is no doubt also possible that some consumption might take the higher form of the purchase of pictures, books, artistic furniture, or the spending of more on travelling.

On the whole we may say that the well-intentioned but ambitious attempt of the Socialists to suppress Money, the Investment list, and the Stock Exchange, would lead to much greater visible evils than exist at present, not to speak of other evils certain from analogy, though, without trying the hazardous experiment, we cannot describe them precisely. To dispense with money was possible in a small state like Sparta, was largely possible under the feudal system, or

under the self-contained village community ; but the attempt to suppress it in a great modern complicated society, especially one having a great foreign trade, would be fraught with disaster and chaos.

The alternative is to correct the evils of the existing system ; to regulate the currency, especially the paper portion of it, more strictly ; perhaps, as Jevons suggests, to confine the issue of notes to "a single central State department, more resembling a mint than a bank;"[1] to prevent fraud and swindling by Law—by a careful revision of the Companies' Act, perhaps by defining certain malpractices of the speculator, the cornerer, and the company floater, and declaring them criminal. The meshes of law will have to be made finer to catch the fraudulent, and public opinion must punish the shady. Most certainly reform is urgently wanted in this region of business, and most certainly nowhere is it more difficult, as may be seen from the failure of the Lord Chancellor's bill of last year, intended to improve the Companies' Act, and in particular to make the way of the dubious company promoter less smooth. That the public require more protection somehow is clear, as we need only take up any financial journal to see that shameful and seemingly obvious swindling goes on under the head of company floating, and that deception, gross as the "confidence trick" practised on the countryman, and of essentially the same nature, is being perpetually practised on victims perennially renewed. And what is worse, because

[1] Jevons on "Money," p. 341 ; see also Sidgwick's "Politica Economy," Book III., ch. iv. § 8.

it affects much greater numbers, there is much fine financing, evincing superior science of the same doubtful kind, though far more difficult of detection, and against which, perhaps, there can be no effective law.

The prodigious and unparalleled increase of wealth during the past hundred years, which still goes on, and the ever-extending field of investment which is the result of it, has given to the company promoter and many other new types a splendid chance, as well as subjected them to a great temptation ; to men of business genius really required, who are benefactors, as well as to noxious growths who trade on the wide prevalence of the speculative spirit, the covetous spirit, the eager desire to make money with a minimum of effort, or on the ignorance, the credulity, and the general gullibility of mankind. There is not only the great field of investment at home, but English capital goes to develop the resources of many foreign countries ; and in these various foreign investments there has been found more tempting bait. Here was a golden opportunity, not merely for useful financiers of capacity and character, but also for the dishonest and fraudulent.

For the financiers form a genus with several species, of which the company promoter is one. And besides the company promoter who performs a necessary work, who is a sort of middleman between a few great capitalists and the general mass of investors, who acts in general as midwife and launches the company into life, there are the dishonest and fraudulent, the bubble company floaters, who form companies and wreck them

and form new ones, deriving a profit from all; who form companies to work mines in Mexico, in India, anywhere, the remoter the better; companies to do impossible, sometimes imaginary, things; who may have the shares of the imaginary companies quoted and bought and sold on the Stock Exchange, and who may even, assisted by some friends, realize a handsome thing before liquidation or exposure. By glowing prospectus, containing reports from "our working engineer" of the "most favourable results," by a list of respectable directors, managers, bankers, auditors, and solicitors of the company, if any such can be induced to lend their names, above all by the untiring efforts and surprising. genius of the financier, money may flow into a bogus scheme. Much more likely it flows into a merely bad business or undertaking; the latter much safer and more respectable for promoters, directors, manager, etc., and more profitable, as the game will last the longer; the shareholders will "bleed" the longer before the inevitable winding up;—and then there is much chance in human affairs and in companies' fortunes. The promoter in general is, from natural temperament, a sanguine man; usually he has several enterprises of moment on the stocks concurrently. Having launched a company and got his fees, he is usually not specially interested in its future fate, which is committed to fortune and the managing director. It is not specially his affair. Having launched one concern, he has other schemes incubating, others to mature; other companies to found; "fresh fields and pastures new" to try. His business is to launch companies, not to

make them successful, unless he retains some shares or other special continued interest in the fate of the company, which is sometimes the case if it really promises well. He certainly has not an interest in the health and success of all companies, as it is by the creation of fresh ones that in general he exists and flourishes.

It is satisfactory to know that the Lord Chancellor has been deeply meditating how to "cabin, crib, and confine" the genius of the swindling company floater, as well as to exact guarantees of the *bona fides* of all the class. But he will have to bring his utmost resources, legal knowledge, and experience to bear, or he will prove unequal to the task, for the man is a genius in his way. Such are the exigent conditions of the problem, that it will task all the ingenuity of the legal profession to check this type, and yet checked he must be. "If Law cannot do it, of what use is Law?" people will be inclined to say. Certainly the Roman lawyers never had so difficult a problem, such complicated conditions, such peculiar or slippery types to deal with. And what makes the peculiar difficulty of the problem is, that it is nearly impossible to strike an effective blow against what may be called the Higher Swindling without impeding or preventing beneficial enterprises.

II.

BESIDES the company, bogus, bubble, or merely bad, in which the shareholders are fleeced and lose their capital, and where the promoter, directors, and managers—chiefly the former, who has a prior

claim on the paid-up capital—have divided the spoil,—there are all degrees of struggling companies, from those that pay zero dividends to those that pay from four to five per cent. Nay, there are companies, and especially some new syndicates, which promise dividends of from seven to twenty-five per cent., and some that actually pay them. How this is possible, and the nature of this latest development of the Company and of the monopolist spirit, for several reasons deserves attention.

These syndicates are phenomena of great interest and significance, both in themselves and in their relation to Socialism. The word may be merely another name for a large company, but is more usually applied to a union or amalgamation of companies in the same business, or perhaps merely to a union of firms under one management. It is always more or less of a monopoly. It aims at merging competition. But it presents some important advantages. In the first place it tends to eliminate unnecessary middlemen, because it frequently combines producer and distributor, e.g. a bread syndicate proposes to grind flour, to make it into loaves, and to distribute the bread through its own shops; thereby saving the profits of the wholesale flour merchant and of the retail shops. There is a further well-known economy coming from the large scale of production and distribution, the greater division of labour and employment of machinery, and from both economies they are enabled to give better wages to the workers than they enjoyed before. The price, owing to these sources of saving, need not even be raised on

the consumer, who would thus get superior articles at the same price; and so every one—the whole closed circle of shareholders, workers, consumers, as well as promoters, managers, and directors—would appear to profit from the syndicate. Nevertheless, when it has an assured monopoly the syndicate will be much tempted to raise prices. It may then begin to seem less of a universal benefactor if it should try the monopolist's methods: the question for it, as for all monopolists, being, whether it is more profitable to produce (or to offer for sale) much and to offer it cheaper so as to get it all sold, or by limiting supply to cause a rise of price, which may enable the less supply to be sold for a greater amount; and this again depends partly on whether the commodity is a prime necessary of life, in which case it would be more profitable pecuniarily to limit supply, though otherwise a risky course for the syndicate to pursue. However, unless it had a tolerably complete monopoly, it would not be likely to try, and so long as the monopoly was not complete, the syndicate would be generally advantageous.

The tendency is to increase the number of these syndicates; then to unite them into larger ones in each field of production and distribution. Let us suppose the whole field of industry covered by syndicates. We should then have economical production, good wages, good and unadulterated products, the needless middlemen gone, and prices no higher on the consumer than before; no one apparently having been hurt but the dislodged middlemen and smaller traders, who moreover—at least the

latter—have been handsomely compensated in the purchase of their business, and have most likely left part of the purchase-money invested in the improved concern. This is a great advance on the rude and brutal method of former times complained of by Louis Blanc—when the "great capitalist declared war on the little capitalist," and left him dead upon the field. The syndicate does not run a race of cheapness which ruins the small man, thereafter raising its prices. With far superior science and humanity it buys out handsomely the smaller man, who, with part of the proceeds, remains a grateful shareholder in a business he knows, and, if he is specially able, perhaps even a manager or director.

Competition complained of by the Socialists would be largely gone, being merged within the syndicate; useless middlemen displaced; the employing capitalist with his too high wages replaced by a manager: all steps towards the Socialist goal. What is wanting chiefly? There is still the deduction from wages of interest for shareholders, and the higher the interest the greater the deduction from wages. Even if the working classes were paid higher wages than before, still if good dividends *are* secured for the shareholders, it is evident that wages might be still higher, and the old quarrel between capital and labour would break out afresh from this side. The wage-earners want interest melted down into wages and divided amongst them, and so long as interest is paid the Socialist goal will not be reached.

This state of things, nevertheless, leans to a moderate Socialism, because wherever the syndicates

insisted on too high dividends at the cost either of the labouring classes by reduced wages, or of the consumer by raised prices, they would invite governmental occupation and management of the industry. And wherever the syndicates greatly abused their position as monopolists there would be a likelihood of State interference either to more strictly regulate or to supersede the abused private enterprise. Certainly the State could not permit what would be a virtual power of taxation, an *imperium in imperio*, if the syndicates were sufficiently extended to control the supply of a necessary of life. It could not allow to any combination the power of arbitrarily raising the price of bread, coal, fuel, house-rent, railway rates, and if the combinations are ever sufficiently extensive to be able to do so, and really exercise the power, State or municipal occupation of their enterprise would be absolutely necessary, and Socialism to that extent at hand.

All the arguments in favour of private enterprise would lose their force or be inapplicable in such a case, while the arguments against it would be great. It would be a case of a class or an interest having power to tax the necessaries of the poor, as the landlords had formerly such power through the Corn Laws, and it would be intolerable. The State would either have to fix prices according to the supply, as in the case of wheat for example, or make regulations forbidding artificial limitation of supply, as in the case of coal, or finally take over the production. It is, however, only to the case of a prime necessary controllable by a single combination that these con-

siderations would apply. They would not apply to the production of manufactured goods meant chiefly for exportation, nor to things partaking more or less of the nature of luxuries

In any case the promoters and all connected with the trusts and syndicates should reflect on the lines on which they have entered. The formation of them, though the greatest effort of the "promoter's" genius, is a direct step on the road to Socialism. The greater the syndicate and the more successful, the greater the invitation to State interference, because it would point out both where the interference of the State was most called for, and where the management of the State would be most certain of success. Therefore, so far as the Syndicate conquers and occupies, let it be merciful, let it not be too anxious for high dividends, or the State, a still stronger Corporate Person, may follow and supplant it; in which way it is possible that a certain limited portion of the Collectivists' programme may be realized, though for reasons urged elsewhere the whole is impossible.

In the meantime the fear of an early syndicate conquest and overrunning of the field of industry may come over us on too slight grounds. It is as yet chiefly in breweries, distilleries, and bakeries, or industries in which there is a possibility of something like a *local* monopoly, and which have already been more or less of a monopoly or a tacit combination, and where the capital required, though large, is mostly under a million, that the syndicate has succeeded. Where it has tried larger enterprise, as in the American Sugar

Trust or the Copper Syndicate, it has come to trouble. There is no possibility, for many a year, of a syndicate embracing one of our staple industries where the capital required would be of colossal dimensions, and where the large and prosperous firms and companies would not join, having already more profits than they could hope to gain by so doing ; so that, although the general direction in which the syndicate and the union of companies tends is clear, yet the time required before there could be unified production and monopoly in any given large national industry, the cotton for example, is indefinitely remote. The financier and former of the syndicate may therefore still console himself that the Socialist goal of universal State occupation is far off, while in the meantime the syndicate is at once an economic development as well as the product of his genius, for which, like other inventors, he deserves something, and for which for some time to come he will get something considerable.

CHAPTER VIII.

IN THE SOCIALIST STATE (*concluded*).

UNPRODUCTIVE LABOURERS, THE CHURCH, AND THE GOVERNMENT.

I.

WE have seen that the Collectivists have after all no principle of distribution in the sphere of material production; that even in that sphere wages would have to be unequal under penalty of general poverty, and that the inequality would have to be arbitrarily determined, instead of being as now mainly due to individual efforts, good and bad, for which there is large scope. We have now to consider the great amount and variety of labour not connected directly or indirectly with material production; to inquire how Socialism would deal with it, and how reward the labourers.

The labour in question, generally described as unproductive, is not only very various, but some of it is extremely important. In one form or other it is necessary; it exists in every civilized society, and, though in less developed forms, the various types of labourers have mostly existed in all past civilizations.

Some of the labour is, and always has been, of the co-operative kind, as that of the military service, which has always been highly organized. Then

there is the civil service, which, though not largely admitting co-operative labour, is already organized and officered by the State. So to a considerable extent is the educational service as respects primary education, but not, in England at least, as respects either intermediate or university education.

More of the outstanding unproductive labourers could, it is clear, be enrolled under the service of the State, or the County, or the Municipality. The cabman, the railway porter, the tramcar man, would probably work as well if they were paid by the State or municipality, as at present, while no individuals would be making a profit out of them, though as regards the whole class of domestic servants, the "house-slaves" of the Collectivists, however their social status might be elevated, it does not appear what great gain to the general convenience would result by making them all State functionaries. Certainly the services of some of them will always be necessary, whether they will be monopolized by one private family or not. A physician will require a coachman to drive him round to his patients; cooks and waiters must be at restaurants; and—unless we live in large buildings—in each house there must be a private cook and some one to bring the breakfast, make our beds, and dust our rooms. Their status may be raised, their wages, perhaps, increased; some of them will be always necessary; and the question is, would it not be more to the general convenience that they should sell their services how and to whom they pleased, as now? The State might indeed pay to a coachman a fixed salary, to be repaid by the hirers

of the coach and service, instead of allowing him to offer his services by the year to a doctor in good practice, or a high official in the public service. It might desire to discountenance such luxuries as private carriages and livery servants, coachmen and footmen, or it might wish, with the Collectivists, to prevent possible carriage-owners or livery-stable keepers from making profit out of coachmen, cab-drivers, and grooms, by itself becoming the sole owner of carriages to be let out for hire; but the restriction on individual freedom would be great, and the prohibition in certain cases impossible to carry out.

In fact, the suppression of domestic servants, however well intended by the Socialists in their interest, would not only be undesired by the class, but would imply a complete domestic revolution, the most distasteful of all kinds of revolution, and the most difficult to effect, because touching at the inner private life and at traditional habits and feelings. The abolition of some species of servants and the turning of the remainder into State functionaries, would mean the abolition of the private residence, or would necessitate, if not the common table, at least living in large buildings or hotels, where the lately enfranchised servants must do essentially the same things as before for a payment of fixed fees to go to the State. The separate residence implies servants (who are no more house-slaves than that they contract to do certain understood classes of acts at the bidding of another). Some servants, at least, in the house we must have, as it would be very incommodious to have to send frequently for officials to help us. The nurse-

maid and general indoor servant, at least, will have to be allowed, even though the private cook might with some inconvenience be dispensed with ; and the coachman must be permitted to the physician at least, though many of us might be satisfied with the hired government cab and cabman. On the whole, the Collectivists would be well advised not to insist on too sweeping or sudden changes in this direction, as the utmost they could do for the class in question would be to convert them into the *personnel* of a great hotel, where they would still be engaged in rendering essentially the same kind of services as at present, save only that if they be State or municipal officials they could with difficulty be dismissed, while for such misconduct or bad performance or neglect as now justifies dismissal there would have to be substituted some kind of punishment, as fine, or imprisonment, or loss of grade, as in the military service. There is no other alternative (where the power of dismissal does not exist or is not exercised) ; and were it not for the hapless condition of the class in question when past their work, which, however, is capable of being mitigated, one would say decidedly that they are better as they are.

As to the professions under Socialism, it is clear that some of them would necessarily exist as now. There would certainly be physicians and surgeons, schoolmasters and professors, judges, magistrates, and persons learned in the law, even though the law of property and contract would be much simplified, and the business of barristers and solicitors in consequence greatly reduced. The Socialists, indeed, expect justice

without cost, and that advocates, if they exist, will not be paid by suitors, but by the State; in fact, that all dispensing of justice will be paid for by the State, as it is partly paid at present in the salaries of the judge and magistrate. But there will always be truth to discover, and difficult facts to elicit, and persons specially skilful in doing this will be required, who must be different from the judge. There will be a good many required in spite of a simplified legal system, and they cannot all be State lawyers; or if they be, the most skilled, the future eminent advocates and Q.C.'s, could not be sufficiently well paid by the State, and would be tempted either to do their work inefficiently, or to receive fees from one side to induce them to use their ability in its favour, or from both sides simply not to use it against them. The danger of justice being perverted would be great; and one way to avoid it would be to permit suitors to secure the services of the eminent advocate by offering him his customary fees as at present. The system is far from perfect, and justice is frequently defeated by it, no doubt. Still as under Socialism and a system of fixed salaries not on a high scale, even if there was no temptation to accept bribes, there would be a temptation for the superior person not to exercise his utmost skill, from which the interests of justice would suffer, only in less degree, so that on the whole the present system, imperfect as it is, seems most to accord with human nature and circumstances of a rather permanent kind.

In general, in the professions where individuals possess exceptional skill, the exercise of which is in great request by many, as in the case of

the eminent physician or advocate, the State could not with the maximum of advantage retain such in its exclusive service. It could not offer sufficiently high pay, and it is much better to let them be paid by the individuals profiting by the exceptional services. The best ability will only be drawn out—such is the imperfection of human nature and human virtue—by permitting its possessor to reap extra pecuniary reward from it, at least in the field of the "bread and butter sciences." This is the general rule; though no doubt the State or the public might secure, as now, the best services in the great hospitals of the most eminent in the medical profession for moderate remuneration, provided such were allowed to devote most of their time to private practice with its special fees in addition; partly because the profession has always practised an honourable species of Socialism by graduating their fees to the different circumstances of the rich and poor, and partly also because connection with the great hospitals is a mark of distinction and success, which is of use in further extending practice.

Every one, in whatever sphere, productive or unproductive, who has a monopoly of a gift or talent, the exercise of which is either desired by the public or of great general utility, can, if it pleases its possessor, exact high material or money returns, with the alternative, if he does not get such, that he can refuse to exercise the gift, or can exercise it imperfectly. Even where the monopoly is only partial—in the cases where a few possess the ability—the like holds in lesser degree. It lies in the nature of things. It is indeed possible that the artist (painter or sculptor) might be

willing to work, and work well, for a fixed salary paid by the State, the exercise of his art being in itself a pleasure, and fame and the sense of spiritual power, an important part of his reward. Still, for a long time to come, so long as the slowly-dying Adam of egoism, which has been much fostered under the present system, exists in the artist, he would do more work, and would throw his energy and soul more into it, if he were paid by the picture—paid by piecework, in fact—and under Socialism there would be nothing to prevent the State, the municipality, or even the private patron, competing for the exercise of his skill. No doubt under this system there would be fewer portraits of private gentlemen or of aldermen and mayors painted, unless for presentation by the municipality or their admirers, and it might thence result that the chief orders to a great artist would come from the State, or from the great municipalities emulous for good picture galleries.

The whole teaching service, like the civil service, would fit into Collectivism without any great change, provided that the hierarchical principle were duly observed. It is already largely organized on Socialistic lines. In the higher and more important posts, the professors of the sciences, the humanities, or philosophy, and the lecturers in the different practical faculties, might be paid fixed salaries, or better, partly fixed and partly depending on their fees as at present. There might be competition amongst the different universities or university colleges to obtain the professor who had a great reputation, but it would be desirable, in the interest of learning as well as in that of the students that his wages should not be stinted.

II.

DOUBTLESS the vague thing called literature, and some at least of the mixed multitude called literary men, would exist under Socialism as under every possible social system; nor does the consideration of the class or its wages raise any very special difficulty. The side of human nature that literature addresses will exist in future as in the past, and according to all analogy and the normal law of evolution, unless civilization retrogrades or there be something in Socialism antagonistic, it will expand. In any case, poetry and the relish for beauty and truth will exist, tragedy and comedy will attract, the ever-varied, but still the same, human story will be re-told. New ideas will demand new expression; the power and province of "the word" will increase, however its priests and purveyors be paid. As to the latter, as before mentioned, it cannot be said that the remuneration or the mode in which it is given is satisfactory at present, though there has been improvement. Great as is the service which men of letters may confer on mankind, great as is the power they wield over the soul, over the social order, society has not known hitherto how to treat them in the matter of wages, nor even comprehended their true function and significance under our present civilization. Fortunately, money is not what poets, philosophers, or true men of letters in general most want, nor can money ever be any measure of the value of their work. They want the exercise of their function, the influence that naturally belongs

to it, liberty and a competence. According to Shelley, the poet, wants "love and fame," and fame he gets if he has so far raised his generation as to feel his special gift. But the better part of his wages comes not from without, whether from fame or money ; it comes from himself and the exercise of his art, from "the great poetic heart worth more than all poetic fame," from the vision of beauty, the divination of truth, and the effort that is itself pleasure to shape them forth as an artistic whole.

To find money wages for the true poet who has not been born with a competence, has always been a problem, and it would probably continue so under Socialism, especially as the poet in general both "man and boy has been an idler in the land," and still more as the greatest poets sometimes only impress the world after their death.

It is more important for society to know how to deal with the second great class of literary men, more properly called philosophers, because, let it treat them as it will, it cannot prevent them from having the final controlling word in the great spheres of religion, morals, and politics. To re-state the true and the just in these spheres is in fact their function. The class has existed under all civilizations. With the Jews they were called prophets, and had commanding influence. Under the Greek civilization, when they first appeared in their modern character as searchers for truth, they also enjoyed great consideration, so much so that kings consulted them. At that time, and long after, they lived by lecturing and teaching, for which their pupils paid them, as is

still the case with some of their modern representatives. But in modern times they influence the world chiefly by writing books, by which, however, they cannot live. It is a question what is the proper function of such in a renovated modern society, and how they should be paid. Plato, in his Republic, makes them rulers, as does St. Simon, while Comte assigns to them, under the name of "positive philosophers," the spiritual power, reserving the temporal for the capitalist class, this separation of functions being supposed to be his great discovery in political science; the real fact being that the philosophic class cannot be prevented from exercising in large measure both spiritual and temporal power, if not at the time and in appearance, yet finally and in substance. As a class they exercise it, though not to the exclusion of the clergy or politicians. As matter of fact, philosophy, and philosophical criticism, seconded by scientific discoveries, have profoundly affected religious belief during the past hundred years; as a matter of fact, all fruitful political wisdom for the last three centuries has emanated from the class in question, which has furnished all intelligible theories of Government and the State; the principles of legislation and taxation; of production, distribution, and trade; of International Law. As a matter of fact, men of the type of Hobbes, Grotius, Locke, Montesquieu, Adam Smith, Burke, Bentham, Mill, have exerted great political influence through their books by impressing their views on practical politicians and statesmen; as a matter of fact, that great thing begun in 1789, and still proceeding, called the Revolution, was set agoing

by philosophers ; as the reform impulse in England was communicated by the same class of men. Lastly, as a matter of fact, philosophers have produced Socialism ; the three founders of its three principal forms, Rousseau, St. Simon, and Karl Marx, were philosophers.

They are powerful for destruction as well as for renovation and construction. They cannot then be prevented from exercising temporal or political power of a certain kind, as well as spiritual, in spite of Comte's prohibition.

The class in general is fitted for either work—its individuals are potentially governors and teachers, though not equally so, and as matter of fact, when any of them have had the opportunity, as they have had it increasingly during the last hundred years in England, France, and Germany, they have generally shown themselves fitted for governing, at least for counselling and legislating ; while conversely some of the best rulers and statesmen, from the days of Solomon and Aurelius to our own, have been eminently of the philosophic temperament.

Such being the great power they wield, and cannot be prevented from wielding, it is an important question what should be the acknowledged relation of the State to them. At present there is none in particular, though, in fact, the best of the class usually find their way into chairs, where they serve the State usefully by teaching the élite of the new generation philosophy, moral, historical, and political science ; a few enter Parliament, where they form an important counterpoise to the plutocrats ; while a few devote their main

time to the production of books; become the wholesale producers of thoughts, of the large new views on politics, economics, and religion, which journalists and essayists distribute, and which politicians in part apply. The philosopher so engaged fills an important function, for which he cannot be paid, and he is even in worse case than the poet, for, in general, the greater his books, the less they will be appreciated, save by the few. How does the new Socialism propose to deal with the class of philosophers? It is silent, for the most part, on the point, which is the more remarkable as Karl Marx belonged to the class. It is, however, probable that some of the class would, under Socialism, exercise considerable governing power, whether directly or indirectly, certain that others would exercise their present functions of teachers, and there would probably be more of them taken into the teaching body. Whether the philosopher who only writes books could exist in the Socialist state is doubtful, it would depend on how far the taste for books on the severer but more important subjects of religion, philosophy, morals, politics, historical science existed; in general, how far the philosophic spirit prevailed amongst possible readers. Whether the philosopher who attacked the principles of the Socialist polity would enjoy freedom is a question still more doubtful, though such freedom would be at least as necessary then as at present. But however they may be treated, certain it is that the Socialists will have good reason to remember the philosophers if they should ever "enter into their kingdom."

As for the journal which, amongst its other functions,

diffuses political knowledge in a form less abstract and more readable than the philosophers give it, it could as well exist and the journalist as well be paid in a Socialist State as now, unless, indeed, all political parties were merged in a common Collectivism, when fewer journalistic organs would be needed, though it is possible that the journals, in the meantime, might have developed other functions. So long, at any rate, as parties and sects and separate interests exist, there will be journals needed, and the launching of these must be left to private enterprise, as the remuneration of the labourers, to the subscribers. The mere bookmaker who produces an article that has all the outward semblance of literature would still exist, if the demand for his peculiar wares continued. The playwright would probably command good wages in a Socialist community, if, as is not unlikely, the demand should increase for what he produces, for, though the art is not of the first order, it seems that owing to the need of rapid production and novelty, the power and the secret of production to suit the public taste is confined to a limited number. The story-teller, and even the novel-writer who occasionally rises to true literature, if they should possess qualities widely appreciated, would probably fare well. Of the forms of literature whose pay at present is surest and best, the daily article, the weekly sermon, the novel and the play, the second is paid largely by the State, the other three, and sometimes the sermon, by the consumer, and they could all in future be paid as well as now, if the consumers should be as numerous as now, as desirous of the commodity, and in par-

ticular if they should have as much means to pay for it under Collectivism, the last condition being, as we have seen, a very doubtful point.

And the Church? What is the attitude of Socialism to the Church? According to Schæffle, Socialism is antagonistic to the Church, and "out and out irreligious." And this in general is true, and for the antagonism to the Church there are reasons, one being that most of the leaders of Socialism do not believe the doctrines taught by the Church; another and a stronger one being that Socialists consider the Church identified in interest with the rich and ruling classes. It is against her in the Socialist records that she has not shown herself the friend of the poor or of the working classes. Her chief function, they think, has been that of a moral police in the interests of the propertied classes, for which function there will be no place in the Socialist kingdom.

But though Socialists are in general hostile to the Church, there is no reason why they should be hostile to religion or to Christianity. On the contrary, the principles of the Gospels and of Socialism are one and the same, and if the Socialists only knew it, and made the most of the fact, it would constitute the strongest plank in their platform. On the other hand, the Church might find a place in the Socialist State, if she laid the emphasis of her doctrine on the Gospels and the Sermon on the Mount, rather than on the Pauline Epistles and her own later dogmas and accretions, and not improbably individual clergy, like Maurice and Kingsley in the past and others in all Christian communities at present, may in future see

reasons to do so, and if many do, and especially those who have influence in Church Government, then the Church might subsist in such possible Socialist State and even receive endowment from the State. And so of course she might, and probably would, if the many in such a society believed in her teaching.

Especially if the Church should assist Socialism to become an established fact so far as possible. But the chances are that she will not or cannot take a side in her collective capacity, while permitting individuals to do so who can adopt the Socialist's programme. The Church, at least in England, is in a perplexing situation with regard to Socialism, as was shown by her somewhat oracular deliverances at the Pan-Anglican Congress (1887), at which a number of propositions were laid down by a committee specially appointed to report on the subject, which simply cancelled each other, leaving a zero result as her collective counsel to individuals, while collectively not committing herself on the Social Question and Socialism. Perhaps after all it was the only thing she could do, and the wisest thing under very difficult circumstances, which require her to conciliate the working-classes on the one hand, and on the other not to alarm the interests of property—the powers that be, and the powers that may be. Perhaps also an insufficient comprehension of the question, its delicacy and complications, had something to do with the ambiguous and mutually destructive deliverances of the Congress with regard to it.

III.

A POINT remains to be considered. The Collectivists have not clearly indicated their conception of the State, as such, nor of Government under a Collectivist Social system, and yet this is the most vital point of all. In Plato's Republic the wise were to rule, the brave to protect the community; in More's Utopia, in like manner, the wisest formed the Government; with the St. Simonians, also Capacity was to direct—who are to be rulers under the new Socialism, and of what kind is to be the Government?

Though the Collectivists are rather reticent on the point, we can see clearly that of logical necessity the government must be essentially democratic: whether the executive authority be delegated to a chosen one, so as to form a kind of Democratic Cæsarism, or whether it be conferred on a body, remains uncertain, though the tendency of their principles is to the latter. That it must be democratic may be inferred further from the principles of Karl Marx, as also from the name of Social Democrats that German, English and American Socialists most affect.

In the Collectivist State an aristocracy resting on the ownership of land will, of course, be impossible: for like reasons a plutocracy could not exist, since capital as well as land will be collectively owned, and the highest salaries only moderate in amount. The Capitalist in all his forms, whether the great employer of labour, the great distributor, the great financier or monopolist, will have disappeared. There will be no

aristocracy, whether of land or money. The classes will have found their level in the masses, the former being brought down, the latter somewhat exalted, and if any distinction of rank remain (and some, it would appear, is to be allowed) it must have reference to difference of capacity.

But there must still be, we should imagine, a governing class, though not hereditary. There must be, if not legislators (the Socialists affirming that few laws will be needed, and that these will require the general sanction), at least administrators as now; an administration let us say, composed of some ten or a dozen Ministers or Secretaries of State for the principal departments of State activity, as War, Finance, Justice, Education, the Colonies (if any connection be retained with them), Trade, Agriculture, etc. There must also be permanent Under-Secretaries of the Executive Government, there must be Judges and a Chief Justice; and as the functions of the State will be greatly extended to embrace all industries—agricultural, mining, manufacturing, carrying—there must be new Ministers and Secretaries, new Heads of Departments,—new Generals, in addition to the officers and private soldiers in the industrial armies. Who are these different Heads to be?

Karl Marx, the founder of Collectivism, has not designated who are to be the governors, nor how they are to be found, but presumably they will be the most capable, as with the St. Simonians. Still it is a pity that neither he nor his followers have been more explicit on this important point.

Mr. Gronlund, indeed, denies that there will be

any governing required, or any governing classes. "The whole people does not want or need any governing at all," he affirms,—a proposition that looks anarchical; but, as he adds, "it wants simply administration—good administration," it appears that he is merely using the word government in the narrow sense of class rule and exclusive of administration which, nevertheless, has always been considered as the most important part of government. In the Socialist State the Heads of Departments, according to him, would form the Executive Government for the time being, and as these would be more numerous than now, and besides would have a greater mass of matters, indeed, the totality of human affairs, on their shoulders and depending on their wisdom and virtue, we fear after all, in spite of assurances to the contrary, that there would be a good deal of government and even of issuing of "commands," whether called laws, rescripts, decrees, or whatever name does not matter. The "Omniarchs," as Fourier and Leroy-Beaulieu call them, would have much depending on them: it would be wisdom on the part of the many to let them have a rather free hand. But how, under Socialism, are these important Heads or Chiefs of Departments to be discovered? How to get the wise and virtuous to the top is the real and never yet solved problem. States will never be happy, Plato tells us, till philosophers rule or rulers are philosophers, i.e. wise men. How to get the wise and capable riddled to the top is the question. The author of the "Co-operative Commonwealth" has at least a plan to propose, though he admits that it does not bind other

Socialists. The chiefs are to be the result of a series of selections—the select of the select. In this wise: In a given industry, the ordinary workers choose their foreman, the foremen in like manner their superintendent, or Carlyle's Captain of Industry; all the chiefs in a given district elect a district-superintendent, and the district-superintendents from all parts of the country meet and elect a bureau-chief, and he, with other bureau-chiefs in connected industries, proceed to elect a Chief of Department.

By this process of subtle distillation you surely get your best man in one branch of industry, as boot-making (to take the example cited); you proceed in the same manner with every other special branch of industry, manufacturing, mining, agricultural. You get a Chief of Department in the cotton trade, in the hosiery, the tailoring, the farming, the mining, and other industries. In the same way you get the wisest one in the teaching body; "then one for the physicians, another for the judges, one or more chiefs for transportation, one or more for commerce—in fact, suppose there is not a social function that does not converge in some way in such Chief of Department." [1]

Here we have the great secret. These Chiefs, and not too many of them, are to form the executive, greatly widened as it is to be in its functions. It would appear that the representatives of the boot-making, tailoring, and other interests will necessarily be numerous, if we judge by the great number of specialized industries, though we cannot discover any

[1] "Co-operative Commonwealth," p. 173.

great qualifications for ruling in their chiefs unless the ruling and directing be confined to what relates to boot-making, tailoring, etc. If there are to be philosophers in the body, perhaps they will be found in the representative of the teachers, or of the judges, or of the literary class, or of the savants; they would, however, be considerably outvoted unless we reduce all the industrial chiefs from many to one or a few in each industry, and then there would be the certainty that such would not be much wiser than any other of the different chiefs in any branch of industry outside their own; that, for instance, the chosen in the leather trade, whether raw, tanned, or made into boots, would know little about the needs of the cotton, the hosiery, the iron and steel, the ship-building, mining, and a hundred other industries, while, as respects interests other than industrial, they would have still less comprehension.

An able man of business you may select in this way, an able administrator of the post-office, the telegraphs, or a minister of agriculture; but hardly, unless from the lawyer or philosophic class, a statesman, who, in addition to natural genius, requires a different previous training; in particular the study of history, of political science, and of human nature.

However this be, at all events a complete political revolution is implied: a revolution in the government of every existing State, and a total change in the conception of the State, in addition to the sweeping economic revolution, and the revolution in private life that the changed economic relations would bring. It is admitted by Socialists

that their scheme is incompatible with existing governments and as the latter are not likely to change quickly enough of their own impulse in a Socialistic direction, a revolution in fact as well as in idea, and probably a violent struggle, will be necessary.

Now a revolution is a possible thing, and a successful revolutionary government might be installed. The thing has been before. The government might be animated with Socialistic principles, and it might decree the confiscation of land and capital. It might take both from the present possessors, without any compensation, or, more mercifully, it might give them partial compensation, not in money, but in labour cheques, to be presented against consumable goods,[2] most of which would be of no use. Interest might be forbidden, salaries cut down, production controlled, prisons might even be filled, and heads cut off, but a universal collectivism would not work; it would be found impracticable because contrary to human nature in certain directions, and in others where it would be practicable it would be discovered to be bad for the general weal. The ablest and most energetic would revolt against it; they would probably carry the many with them after a short experience of the new system. There would be general chaos, and out of that chaos, in all probability, a strong and successful soldier would arise (perhaps from the government itself) to compel order, with the strong hand. It would indeed be the best and the only way out of the difficulty; and the thing has happened so invariably in like

[2] Schæffle's "Quintessence of Socialism," p. 33.

cases that we may now almost regard it as a scientific law. But history does indeed also suggest the possibility that out of civil commotions and revolutions a great man might arise, a man of genius and virtue, who in re-establishing order might found and establish something of permanent advantage to the general weal, might in particular effect changes for the better in the relation of classes—economic and social changes—a thing more possible to one man of great capacity than to a body, whether Parliament, Congress, or Chamber of Deputies. The latter, indeed, in times of revolution could not do it; the former might. This would be the only chance for the Revolutionary Socialists; and a remote one, for the man would require almost superhuman power as well as wisdom and virtue, should be a sort of earthly Deity, in fact, to do the work. To establish universal Collectivism would indeed be beyond the power of even such a one, unless he could reverse the laws of nature, but something less, though something considerable, in the general Socialist direction, he might do and sooner and more fully than a Representative Assembly. And such a one of extraordinary will and genius, though only of ordinary virtue, did arise out of the Great Revolution in Napoleon, who did put into his Code much that was practicable and permanently desirable, and who had the large idea that the career should be open in every field to talent; the Napoleonic ideas being in fact largely akin to St. Simonism, as Roscher says, and really carrying out the best and most practicable parts of it.

But Revolution should not be invoked on the

remote chance that a Deity would be found in the whirlwind any more than in the hope that an impossible social system could be forcibly founded by an Assembly, because the Cæsar who might arise would far more likely not be of large capacity, or he might even prove a reactionary. He might find the forces of reaction too strong for him, even supposing him to have the best intentions to favour the socialist ideas, or he might be opposed to them; so that, all things considered, the leaders of the working classes would do better in pushing for reforms and practicable ameliorations in their condition through existing constitutional means rather than in putting all at hazard by attempting a violent revolution more likely to throw back their cause than to advance it.

Even by so doing it may not be possible to avoid revolution in the end; because in the assertion of the cause of the Fourth Estate revolution may come from class antagonisms, as it came in France after 1789 from the aspiring efforts of the Third Estate; but if it came in this way it would be in the natural order of things, and the responsibility for it would not lie solely with the working class, but would be shared by the uncompromising defenders of the present order. And it may be added that the only kind of revolution by which the cause of labour would be likely to make any permanent advance would be such a natural revolution, which need not necessarily be a bloody one.

IV.

WE may here sum up the chief conclusions reached respecting Collectivism, the latest scheme of an Ideal

Commonwealth, and pronounce a final estimate upon it. As a scheme, while partly agreeing with the St. Simonian, it is distinctly inferior to the latter in not fully recognizing inequality of capacity and frankly accepting as the natural consequences of the fact, inequality of remuneration, especially in the sphere of material production. With really fuller economical knowledge than St. Simonism, it is yet essentially weak on the economical side where it should be specially strong, and where it specially boasts of its strength.

Its criticism of capital, though partly sound, is largely fallacious. Its constructive scheme, so far as any has been given, is unworkable in parts, in others of doubtful tendency, in others, again, of bad tendency. The detached propositions which form the essence of it cannot cohere into a system. Its parts cannot be put together so as to form a whole that would work. Productive labour could not all be collectively organized, still less unproductive. Agricultural labour could not be collectively organized, though land might be collectively owned. The numerous small detached industries where not much capital is needed could not with advantage be worked by the State. There is much labour that might be brigaded, though not suited for collective action in a given place or at the same time, and the only thing to be said in favour of State organization and payment is that it would prevent private exploitation, though it would probably also open the door for official corruption and misappropriation of funds.

As regards Distribution, we have seen that anything

approaching equalization of wages there could not be without resulting in diminished production and inferior services, especially those of the higher sort. The industrial chief in particular will have to be paid liberally, or the product will be worse in quality as well as less in quantity. On grounds of justice no less than of policy, the superior manager deserves extra wages whenever the increase in quantity or quality is due to his superior energy and ability. Mere policy would dictate sufficient payment to make him use all his energy and ability, at least until new and higher motives can act upon him. Extra merit in the generality of workers, for the like reasons, would have to be paid higher, or production would suffer. More than all, the great inventors of machines and discoverers of new processes of production, the Watts, Bessemers, Edisons, as well as the great engineers, the Stephensons and Lessepses, the men who almost at one stroke make a comprehensive addition to the sum of wealth or store of material utilities, will have to be specially encouraged, or if not their country and the world will be the poorer.

We have seen, too, that certain professions, as the medical and the legal, could not be adequately or conveniently paid by the State; that the most skilled members at least would have to be permitted private practice and to charge additional fees, in the interests of the general health or of justice; that the artist, the actor, the public singer, the popular novelist or poet—all who possess an exceptional gift the exercise of which is greatly valued—could not conveniently or with advantage be paid by the State, without at least

a partial quenching of the gift and loss or privation to the public.

As respects the theory of value, we have found that it would be impossible to determine values in practice by the cost in labour-time; that even if values were so determined by the most heroic book-keeping and arbitrary reduction of skilled labour to common labour, it would be impossible to keep values fixed; that it would be impossible to prevent market or variable values, unless the State exercised arbitrary and extraordinary powers in the extension or contraction of production and in the transfer of labourers from place to place. We have seen, too, that the Collectivists have no self-acting law of distribution, that the share of each under their supposed law would be entirely arbitrary and probably unjust.

The proposed abolition of money in like manner would be largely nugatory, owing to the existence of the labour-cheques, while the labour-cheques, in addition to their liability to indefinite depreciation, with all the evils and injustices which depreciation brings, would also be liable to evils peculiar to themselves, not specially predictable without experience, but certain in some form in so far as the labour-cheques would differ from inconvertible paper-money in general.

We have seen, too, that foreign trade would be impossible without surrendering the collectivist principle, and the destruction of foreign trade would be ruinous to a country like England. The Socialists are generally silent on the point, or, when they do speak of it, they decry its advantages, obvious as

many of them are ; from a dim perception that it is a weak point in their system, though it is in reality wholly incompatible with it. Now this is a case where the working-classes of England at least should know the true doctrine, and how deeply their interests are bound up with foreign trade, without which England could not possibly support anything like her present population, and the abolition of which under Collectivism would be to the same extent injurious. The Socialists are perhaps to be excused for not seeing the full advantages of trade since even Mill, who makes the consumer the chief gainer by it, in getting cheap goods or things not otherwise procurable, represents only one aspect of its benefits, the chief being that it makes room in a small country like England with limited land for a much larger population than would be possible without it, by the exchange of manufactures for labourers' necessaries. No doubt it also enables merchants and producers to make fortunes, and rich people to get luxuries ; but it also enlarges the absolute amount given to the labouring-class if not individual wages as well ; so that the Socialists are much mistaken when they imagine that if foreign trade were abolished, English labour would be as effectively applied, or could support so many as at present, or support them so well. The abolition of foreign trade might not greatly affect the United States of America, simply because the United States is virtually a continent, having most of the advantages of foreign trade under the name of home trade; though even America finds it to her advantage to

export the corn she so easily raises for things she cannot produce at all, like tea, or produces with difficulty, like certain manufactured goods.

On the whole, we may say that universal Collectivism is an impossible cure for the evils most complained of;—for the overlarge share of the produce of capital and labour which the employing capitalist gets; and next for the undue share that landlords, distributors, speculators, monopolists, and all kinds of parasites are enabled to obtain; while those parts of the scheme to which there is no objection, but the reverse, such as an extension of State management in the industrial sphere in the case of monopolies; a further extension by consequence of the Civil Service; a more complete organization of the educational service, regulation of the currency and of banking with other legislation to check speculation;—these things are not peculiar to Collectivism, but are most of them parts of a State-Socialism already in operation, and to all of which there is a spontaneous tendency. What is not possible—at least for ages, if not for ever—is universal State enterprise, the abolition of money and of interest, or the distribution of wealth according to hours of work or anything approaching a general equalizing of wages.

Now, considering all the gaps in Collectivism, the necessary deductions from its principles, how much of the present system must be retained and how much of its own must be given up, considering the perils of any attempt at realizing it, the question indeed arises whether it would not be better to begin at the other end, at the end near our hand, by improv-

ing the existing system; especially as Collectivism, minus the things that it must give up, approximates to an improved individualistic system? Would it not be better to begin where the social shoe pinches? Nay, no other course can be entertained for a moment, as any attempt to set up universal Collectivism would be madness, and the fall into the abyss of chaos sure.

Our whole existing system rests upon human nature, is a product of average human nature, is merely the outward expression of the most general facts of human nature, such as the science of psychology to-day reveals it; especially is it the product of the self-regarding instincts called egoism, and of family-regarding instincts which is a kind of expanded and improved egoism; and therefore if the present system were changed by decree of whatsoever governing power, if, as Schæffle says, Collectivism were "proclaimed in the name of the people as a new legal system," the same egoism, dominant and universal in this as in all other civilized countries, would bring about the same system again, or one closely resembling it, after a period of chaos. It would follow as surely as the same effects follow from the same causes.

Moreover, the present system, with all its evils, does actually work. It only wants improvements, to push for which is the right course for all interested in the working classes, and for all who suffer from the present system, instead of striving after an ideal which is impracticable and chimerical in some parts, undesirable in others, and which could not even be set up in name without producing universal confusion.

The mistake of the revolutionary Collectivists is to

regard what should be at most only a distant goal, as a possible point of early departure, as something from which we could start to-morrow. With a large allowance of time a portion of their scheme may be realized, while some steps in the general direction, both in the sphere of legislative and governmental management, might even be taken early.

An extension of government management in the sphere of industry is undoubtedly quite possible, and I agree with Professor Sidgwick in thinking that in certain directions such extension would be generally advantageous. What these directions are we have intimated already in a general way, and the subject will be considered more fully hereafter. Here let it suffice to say that this is pre-eminently one of the cases where an induction from the part to the whole would be fallacious, where what would be true for part of the field of industry and enterprise occupied by the Government would not be true if it were universally occupied.

At least for a very long time, and probably for ever. For it is essentially a case where the categories of time and rate of motion, as well as quantity, are all important and of the essence of the argument. Now time and rate of movement involve the whole fact of social evolution, and the doctrine of social evolution is accepted and insisted on even by Karl Marx and Lassalle, being indeed one of the few points in which the new Socialism is superior to the old. It is absolutely not in men's power, as they rightly say, to change suddenly an economic system ; the thing chiefly implied in evolution being that it takes place slowly by way of

natural growth and decay. Our whole economical system is a kind of organism with a life and growth and mutual relations of parts, and as such it cannot be suddenly changed. Moreover, it rests, as before stated, on existing human nature, which no one imagines can be suddenly or greatly changed. Society, as a whole, is also an organism in a fuller sense of the word ; it changes, but changes slowly. The State is also an organism which changes, which in modern times enlarges its functions slowly and naturally with the growth of civilization. Now we have seen that the Collectivist programme implies, when accomplished, a total revolution in the State, in Society, in private life, and in the existing economical system, a revolution to effect which social evolution asks centuries, working by its usual natural methods, but which impatient Revolutionists and Collectivists in general expect in a generation. At any rate, few seem willing to defer the Socialist millenium beyond A.D. 2000, any considerable postponing of the date seeming to take away rapidly from its sustaining and stimulating power.

The three revolutions, economical, political, and social, could all be decreed. The question is how far, with substantially unchanged human nature and dispositions, they could be made effective towards their aim ; and the certainty is that the attempt to make them so would bring chaos, and confusion worse confounded, until human nature rose in revolt against the impossible thing.

There are no doubt some Collectivists who disclaim revolution, and who do not expect their programme to

be fully realized for generations. And these evolution Collectivists are very much wiser and more practical than the others. But if the conclusions we have come to be correct, there are certain portions of the system which can never be realized, being essentially impracticable, and certain portions that would be bad for the majority of the working classes. If, then, the evolution Collectivists throw those parts over, or get rid of what Schæffle calls "the critical blots" of Collectivism, they would become practical State Socialists, and could work in line with Radicals or Tories, so far as these respectively take up and advocate Social Reform or practicable and beneficial Socialist measures.

CHAPTER IX.

Practicable State Socialism:

(I.)—LEGISLATIVE.

Although the main argument of the Socialists, that all wealth is the product of labour, and should therefore belong to the labouring classes, is fallacious, and although the remedies of the extreme Socialists for admitted social ills are either impracticable for the most part and pregnant with social chaos, or where they would be practicable would not be beneficial to the working classes or the community, it does not follow that the Socialists have got no case, nor that there are not real remedies for real social evils and injustices; remedies slower and less heroic than those prescribed, but more sure and lasting. I believe they have a case, and that there are such remedies.

The strength of the case of the Socialists lies undoubtedly in the fact that the Land and Capital, the two great requisites of production, other than labour, have, as a fact, got into the hands of comparatively small classes, and out of those of the large labouring classes, and with this result as respects their relation to capital, that they are obliged to accept

wages reduced by employers' profits composed mainly of interest and of wages of management rated as large as interest; that these labourers' wages in many cases, and still more the wages of common or unskilled labourers, tend to the Ricardian minimum or the smallest amount that will suffice to support the labourer and his family until such time at least as the children's labour can assist; that from the uncertain and changing circumstances of modern manufacturing industry in particular, which produces for an indefinite and shifting, but world-wide market, only the best labourers can expect to get constant and regular work, while even of these many may be thrown out by new labour-saving machinery, changes of fashion, or a commercial crisis; that from these different causes there is always in existence what Marx called the "reserve army of labour," a phrase which ill describes the sorrows of their situation, being only partially employed, and the remaining time anxiously idling while subsisting on siege allowance from their society's funds, sometimes on the public charity or benevolence; that besides and beyond these at the bottom of all lies a mournful multitude of men and women and children, the certain result and product, predictable with scientific precision, of our whole individualistic and *sauve qui peut* system, who can get no work save of the most casual kind, not to speak of the considerable number who have no particular intention of working, being indeed mostly unfit for any work; who, having been born in a destitute condition, and never having had the chance to learn an honest calling, took naturally

to the evil ways of their parents, to thieving, begging, or loafing, which they still follow, there being in fact no other courses at present open for them.

The monopoly of the land in like manner leads to the worst, though not to all, of the above evils. It led to them before the capitalistic system came into being, and it still leads to them where it exists and where agriculture is the chief industry, as in Ireland and parts of Scotland. If the people are too numerous, the rent competitively determined might conceivably amount to the total produce, deducting only bare subsistence, in which case the system would be barely an improvement on slavery or the corvée, save in its presenting the semblance of freedom. In this case rents would be identical with profits, as described by Ricardo and Marx, namely, all above bare subsistence, in the one case, of the tenant, in the other of the wage-earner. This, however, does not apply to rents in England, because in England large farming with large capital is the general rule, and the landlords can only appropriate what is above the line of average profits (surplus profits). But it has been the case, and without interference tends to be the case in countries of small tenures, as in most parts of Ireland and in some parts of Scotland and Wales—which is the one main reason why the Land Question is there more important than the capital and labour question. Happily, however, the Land Question in Ireland, where the evils were worst, is in a fair way of being settled in the only practicable, and, on the whole, satisfactory way, by the conversion of the occupier into the owner, though land legisla-

tion for the benefit of the tenants in Scotland and Wales, suited to their different social circumstances, is still needed. In the rural regions of England it is the agricultural labourer who has been the chief sufferer from the monopoly of land, and in his case, too, though something has been done by providing allotments, something more ought to be done towards the creation of a class of small farmers or owners.

Besides unemployed or ill-paid labourers, or over-rented small farmers, there are others discontented with the existing order, and inclined to Socialism: all who have been permanently displaced by the present capitalistic system;—the petty tradesman and dealer, the superseded middleman, the skilled workman whose place has been taken by machinery, the early superannuated; in addition to those displaced, those again who have never been placed, or who have failed to get berths or connection;—the professional man without business; the educated man in general who can find no employment, whether from excessive competition or want of character; the educated man who is exploited by the capitalist with superior astuteness, but without intellect or culture; the man of capacity and ambition, but without means; all the *déclassés*, the failures, and the "broken men." Besides those who suffer from the present system, there are men of a different stamp who favour Socialism in some sense of the word, in some cases without too closely inquiring what sense; the idealist who would improve the world at all risks; the philanthropist who sees society's evils, and thinks that Socialism might prove the cure for them; the social philosopher who

has thought out the whole problem, and thinks part of the Socialists' programme right; the moralist who thinks the whole egoistic system immoral; the just man disturbed at what he considers the triumph of the wicked in the case of the successful swindling speculator or financier;—all these look with more or less favour on Socialism as something which, being the declared antithesis of what they dislike in the present system, might bring deliverance, or a better state of things.

There is also the Tory Democratic Member of Parliament who is in sympathy with one side of Socialism to a certain distance, and the Radical Member who is in sympathy with a different side of it, and probably to a greater distance, judging from platform addresses and from special programmes. And then the Church, perhaps from an unquiet feeling that something singularly like Socialism, mixed with something of an opposite character, is in the first three Gospels, has shown a certain leaning to it, or at least a newborn interest in the working man. Nor is the general public hostile or averse, but rather in its favour, provided it does not touch its interests or its pocket too deeply. Nay, it would even go some distance towards it, having been awakened somewhat, and having begun to think that the labouring classes have a grievance against the capitalist class and against the rich in general.

Socialism is in fact supported not only by labourers, but by a great mass of discontented feeling. It is like David's cave of Adullam, to which resorted "every one that was in distress, every one that was in debt,

and every one that was discontented." From all this Socialism derives its strength, though no doubt it is fundamentally, as it has been historically, a working man's or a poor man's question in the main, and a question of material interests, a "question of the stomach," as Schæffle calls it. Nevertheless, it has branched out so as to include other classes than ordinary labourers, and other interests than material ones, as we have seen in the preceding chapters. In the remainder of this book, in addition to the criticism of some proposed measures, I propose to submit certain measures of a more or less Socialistic character, some of them intended to benefit the labouring classes or their children, some of them to favour the naturally fit in whatever class they may be, but all of them aiming at a somewhat nearer approach to justice and the greater good of the whole.

II.

THE modern capitalist, in spite of trades' union pressure, can in general secure his profits, besides covering all risks and expenses, so that the worker must be content with what remains of the price of the product or suffer worse. And now, how did the capitalist get his capital? He made it himself, or he inherited it, most commonly the latter. As a rule, his father or grandfather made the business, the connection, and the capital, when it was easier to do so than now. And how did he make it? In various ways, some good and commendable, some questionable. By overworking and underpaying his hands;

by underselling rivals and annexing their custom; by lowering prices to starve competitors, and again raising prices to tax consumers; by the conquest of his foreign rivals until the latter learned his methods of manufacture and shut him out by hostile tariffs. Partly, too, it was due to his business genius, to his enterprise in first adapting new processes or inventions, to his unconquerable energy, his industry, his saving disposition in the beginning of his career—in these and many other ways his father or grandfather made the business, which continued to grow, which the present capitalist inherited and perhaps increased. And such methods, pursued continually through two or three generations, have resulted in the great accumulated capitals in the hands of individuals in our days. Let us add that Law for a long time favoured him, by denying to his hands the right of combination, by which means profits were kept higher than they otherwise would have been; that the State permitted him to work his hands too long, and to use without restriction cheap infants' and women's labour until philanthropists and Tory members of Parliament compelled legislative interference which made him forego part of his gains in shortened hours, healthier factories, and in later times by compensation for preventible injuries to his employés.[1]

[1] The above paragraph refers chiefly to the circumstances of England, where the capitalistic system first appeared, and where it is still in its most developed form. Some of the statements are, indeed, of general application; but others of them would require a certain qualification before they would apply to other civilized communities that entered on the large system of pro-

No doubt at present the capitalist, as a rule, has ceased to grow greater; but how great he is, and how many make incomes of 10,000*l.*, 20,000*l.*, 50,000*l.*, and over, the income-tax assessments show. Moreover, how many leave over a million personalty we can see in the daily or weekly papers. No doubt, too, the Company has come to dispute the industrial empire with him in respect of those undertakings too great even for his great capital, and the company implies a large number of smaller capitalists who receive interest

duction later than England. Especially they should be qualified as regards the United States, and especially the statement that large capital is mostly inherited. In the United States, where great centres of commerce or industry spring up in twenty years; where new manufactures are often started or old ones are being nursed into large proportions, where new inventions are continually being made and new sources of natural wealth are continually being found, there must be continually great chances for new men, and men who make great fortunes for themselves, who began with nothing, are very numerous; more so than in England, where the tendency, in the old staple industries at least, has been for businesses to become hereditary; the new men, who start from nothing, only getting chances so far as they have great ability and get an opening to show it in the old industries as manager, &c., or so far as they are instrumental in initiating new ones.

In England, in short, a greater area of the industrial field is already occupied by hereditary capitalists than in America; the portion open to the competition of business ability without capital is less; though in both countries there is an indefinite new area that may be added to the field by the genius of inventors, who at present, with the help of patents and "promoters," are usually able to take care of themselves, and frequently to make large fortunes. And the more inventors, and the more companies are required to float the inventions, the more new managers will be required.

as well as he. But the company, especially in our times, has usually a great capitalist at the core, as a sort of nucleus round which smaller ones are attracted, or if not, there is a skilled manager to be paid a liberal salary, and promoters and financiers to be feed, so that the spread of the companies has not effected any considerable breach in the large capitalist's empire as yet, and it has only given the workers the rate of wages current hitherto.[2]

And now, if the short road of confiscation is not to be thought of, and if expropriation of capitalists, with partial compensation, though possible, is unadvisable, how are the working classes to get capital so as to be their own employers, independent of the capitalist, and thereby to end the quarrel between Capital and Labour? How is the miracle to be wrought of finding the necessary capital when the only two apparent roads to it are barred? Is it by saving out of their wages already docked, putting their "savings" together, and starting a co-operative factory or workshop? This is the plan advocated by Mill, Cairnes, Thornton, Thomas Hughes, and many more, a plan now considerably discredited after the experience of fifty years with only a few successful instances in England, a rate of progress at which the millennium may be expected sooner than the emancipation of labour. Besides, wherever large capital is required, as it is in the most important fields of production,

[2] The Syndicate, indeed, or last development of the company, does hold out as one of its many alleged recommendations the promise of increased wages, without, however, being able to any considerable extent to perform it.

groups of working men could not find it; even if they could, the chances all are that they would be undersold and beaten by the great capitalist, and the concern sent into liquidation. In other directions requiring less capital and less skilled management they might, by extra energy and enthusiasm, succeed. But such limited and narrow success would be far from a solution of the capital and labour question. A well-paid, absolute, and capable head or manager is required in general for success in business. But co-operators cannot afford to pay a manager highly, and do not like him to be absolute; as a consequence of which co-operation would be a failure, or would drag out at any rate a struggling existence, while probably affording less wages than the service of the capitalist.

In short, co-operative production by the unaided efforts of workmen will not solve the labour problem, and even the once sanguine hopes of enthusiastic believers like Mr. Thomas Hughes are beginning to fail, as might be gathered from the proceedings of the Co-operative Congress of the year 1887. Mr. Holyoake alone on that occasion seemed full of confidence, and delivered a jubilant address in that the Jubilee year of co-operation. Unfortunately, it appeared that the co-operation which had done the great things he celebrated—which possessed the mass of capital and transacted the yearly business described—was not co-operative production, but co-operative distribution, which, however good in other respects for the working classes, has little to do with the labour question or its solution. Co-operation might

possibly succeed if carried out on the Socialistic plan; namely, by universalizing it, and thereby extinguishing at once the competition of the private capitalist; or, short of that, by State assistance to associations of workers by way of loans on a scale sufficient to try conclusions with the capitalistic system; unassisted, its success can be but small.

The plan of State assistance is condemned by M. de Laveleye and others as doomed in advance to failure, chiefly because the experiment of advancing money to associations of workmen in Paris in 1848 turned out a failure. But the failure of an experiment badly tried, whose failure was desired and assisted by adverse interests, is not decisive against a like experiment carried out under more favourable conditions, and with the light derived from past experience. I do not say as regards co-operative production that the alternative lies between this and the Socialists' more thorough-going co-operation applied to every industry; but I say that if no such experiment on a sufficient scale and in a sufficient variety of businesses is fairly tried, we shall never learn the real capabilities, the advantages or drawbacks, of co-operative production, until perhaps one day, here or elsewhere, the Socialists force the universal experiment without previous trial, at the nearly certain risk of universal chaos. *A priori* speculation, deductive reasoning from principles of human nature and social or industrial circumstances, according to the accepted economic method, though it may teach us much, cannot, as to this question, disclose every-

thing. And even the failure of small independent attempts at co-operation is not decisive, as we can see good reasons for their failure. Besides, if the State advances money to small farmers to enable them to become proprietors of the land, why might not the town artisans ask for a like favour for a precisely analogous object—to make them part proprietors of the capital needed for their industry? And as the Liberals are fond of trying experiments in favour of their friends in the agricultural regions to give them a part of the land, why should not the Conservatives or Tory Democrats urge one in behalf of the town artisans—a course on the lines of their asserted traditional policy as friends of the working classes?

There are doubts, grounded on moral and general considerations, whether co-operative production can succeed in the face of fair competition, and if these doubts are well grounded, it would follow that production under it would be less than under the existing capitalist production; and that would constitute a serious, though not a decisive, argument against the former. We want these doubts cleared up, and this can only be done by trying it concurrently with the other, and in competition with the other, and by trying it in a sufficient number and variety of cases to eliminate chance, or exceptional circumstances, and to get at the general rule and tendency. The Government might, perhaps, advance money at the market rate of interest to Associations of Labour who had already saved a fair proportion of the required capital, and who could thus give some

guarantee for repayment of the loans. To make the experiment fair, there should be no further assistance or favour shown to them in the way of orders for their products. And suppose the experiment fails? Why, then it would undoubtedly discredit co-operative production, and we should probably hear little more of it, except amongst the fanatics of one idea. But more likely it would succeed here and fail there, but succeed on the whole, in which case we should no doubt go farther in the same direction. In any case we should gêt important light and guidance for the future.

Meantime, as the existing system of employment by capitalists is likely to last for a considerable time, and as very many working men are fairly satisfied with it, and on excellent terms with their employer, judging from the fact that they so often help to send him to Parliament, it would be a good thing if the employer and his hands could come to an agreement amongst themselves as to the division of the results of their united efforts. Let them agree as far as possible, and where they cannot, let them still agree so far as to refer differences either to arbitrators or, as at Nottingham, to Boards of Conciliation, composed of representatives of both the masters and the men. The agreement might be in some cases that wages should be regulated according to a sliding scale of prices of product, as in many of the mining districts, or best of all, that employers should voluntarily share all profits above a certain level with their employés. This last seems only reasonable, considering that the men have to bear their share of low profits in the

form of lowered wages, besides being thrown temporarily out of work. Besides, if extra profits are not shared voluntarily, Trades Union pressure can compel it. But it would be better for the masters to take the initiative in the work of conciliating. They are the stronger party ; they have gained most hitherto ; they can afford to do with less profits than their fathers or grandfathers, because their capitals are now so much greater, that with a less rate of profits they would still have far greater incomes than their fathers. If employers all along the line would only be content with less profits, foregoing a part to their hands, there is reason to think that the reign of the capitalist employer might long continue, because in other respects he is on the whole the best and fittest for the place he holds. If he would but come to look at the whole question from a new point of view, having regard to the signs of the times with this Labour Question everywhere ominous and threatening ; if he would come to see the necessity of somehow coming to a good understanding with his workers while there is yet time, much might be hoped in the way of a working solution from his unusual common sense, and his clear and practical intelligence. He could, in great degree, maintain the place which he now possesses ; nay, perhaps even recoup himself, by the heartier co-operation of his hands, for the profits parted with.

And if the capitalist should say, "We cannot forego part of our profits," I reply, "You can, or a great many of you,—the fortunate ones,—can ; moreover, you sometimes do. Whenever you handsomely pre-

sent your townsmen with a people's park, or endow a college or an hospital, you give money which you could have afforded to your hands, and to which—unless you are already paying the highest current wages, or unless you can prove it to be due solely to your business genius—they had a prior claim. In these cases you should have been just before you were generous, or if the word "just" is to be ruled out in economic bargains, then your generosity should have begun with your workers. You should first have given liberal wages to them, and afterwards given, out of your remaining abundance, if it happily seemed good to you, to your fellow-townsmen or countrymen generally.

"Besides, is it really fair that you should get so high a rate of profits,—not only current interest on all your capital and compensation for depreciation, but also wages of management in proportion to the amount of the capital, at a rate as high as the rate of interest? This is really a little too much that you and your class look to get; four or five per cent. as interest, and as much again for wages. A fair salary is all you are entitled to, morally or socially, in respect of your services. It might be liberal, but it should not increase as your capital increases. Accordingly, the difference, the extra amount which you now get, should go to your workers or the public. You may be able to sell your product so as to give you this large salary, because, as Mill says, you enjoy a sort of natural monopoly by the very fact of your large capital, supplemented, we grant, by your undoubted business ability. In fact, instead of getting wages

in proportion to the whole area of your capital, you should, if anything, get less than a manager's wages, because you already enjoy interest on the large capital. Your four per cent. upon your capital of 250,000*l.* already gives you 10,000*l.* But you look to get, and the clever or lucky ones of your class do get, a second 10,000*l.* rated as wages. As much of this as exceeds a manager's salary at current rates should belong partly to your hands, and partly to the public, to be repaid by the people's park, the restored church, or the endowed college.

"You see your great capital, by giving you a kind of monopoly, enables you to crush or keep out rivals, to raise or keep up prices, and to a considerable extent to dictate terms to your hands. But would it not be more prudent to conciliate the latter, and to draw them to your side by good wages? If you do not, it may be the worse for you. For there is a kind of feeling arising that your lot in modern days is really too fortunate, and then there is a doubt as to the sources of your capital, a suspicion that, however juridically unimpeachable its title, it is not all morally yours; and when such a feeling rises, if not overcome by your good deeds in other directions, there are ways in which it can make itself felt to your disadvantage. Correct, then, the possible defects in your title by justice to your workers, and afterwards by generous benefactions; lest the time should come when your profits may be taken from you, and you may have to content yourself with the manager's salary on less than the present scale of remuneration."

III.

As to the Land Question, in one way or other, as matter of fact, the land of the three kingdoms has got into comparatively few hands, and the people who formerly owned considerable portions of it have become divorced from it. From this land the landlords as a class get very high rents, whether agricultural rents, ground rents, or mine royalties. The agricultural rents in England amount to the excess above ordinary profits on farming capital, and this was great until American competition in corn reduced it, by reducing prices; one consequence of which is that some of the land is gone out of cultivation, and thrown on the landlords' hands: what the economists call "the margin of cultivation," or the land which just returns ordinary profits, but can pay no rent, has receded to better land. Now at all times there is between this margin of cultivation, or the land that yields profits but no rent, and the land that would replace wages, seed, and other expenses, but yield no profits, a large zone of land that would yield varying degrees of profits, less than current profits. Let this land, now largely increased, be let to small farmers at low rents, and as it approaches the inferior limit, at no rents. The superior parts of this zone would give profits sufficient to small farmers who cultivated the land chiefly for a living, and such would be willing to pay small rents for the opportunity, though large farmers could not afford to pay any. In fact, the small farmers might even make considerable profits

in addition to supporting themselves on the land, on account of the greater care and industry they would bestow upon it. All would depend on the rents being low, and the possession of a small but sufficient capital, which might in some cases be advanced by the Government at moderate interest to promising agricultural labourers, or to others in the rural regions who had some knowledge of farming, as well as some taste for it; while some even who had gone to the towns might be drawn back by the prospect, to the relief of the human congestion of the great cities.

"But why let our land for nothing, or next to nothing?" may say the landlord. "As well make a present of it to them." But then, is it not lying on your hands and yielding nothing now? and is it not better to have a small rent than nothing? And even if you let some of the inferior land outright for nothing, we should not think your generosity transcendent. At any rate, it might not be so bad an investment for you. No doubt you have the alternative of cultivating the best of this land yourself, and in that way you would give employment perhaps to the same persons, and also get some profits from it. But supposing you do not, as most likely you will not, so long as you have still better land to cultivate if you choose, then you should be ready to let it to those who can make an independent living out of it, and you should not act on the "dog-in-the-manger" policy of not utilizing it yourself, nor allowing others to utilize it.

Also you can grant allotments at "fair rents" to the other agricultural labourers; allotments so large

as to furnish a real addition to their wages, and in some cases prevent their migrations to the towns.

Then apart from agricultural rents which have increased without the landlord's efforts or expense, the ground rents have enormously increased, owing to the extraordinary increase of the great cities and towns, and the massing of men in great industrial centres, with a wide fringe of villas and handsome residences in the best surrounding sites. In both cases the land-owner and the house-owner have found their profit—the land-owner especially. From both the increased agricultural rents and the greatly increased ground rents, what Mill calls the unearned increment of values has come, that is, the increased value not due to either labour or outlay on the landlord's part, but to the greatly increased wealth of the nation, a large part of which the landlord by his position has been able to intercept. Now this, it is agreed on all hands, should belong to the community at large, if only it could be taken without doing injustice to those who have bought land at the market value in recent years, since they at least have paid for this increased value, and even paid the discount value of future unearned increments. It would be obviously unfair to take the unearned increment from the recent purchaser who has paid for it, because it is not he, but the person from whom he bought, or perhaps his predecessor in possession, who has pocketed the unearned increment; and in the cases where the land had been bought and sold within the past hundred years, it would be difficult or impossible to make any one liable to a tax

on the increment; though there are many other cases where there would be no doubt on whom the tax should justly fall. Mill has indeed made the suggestion that only future increments should be taken; but this would be difficult to carry out in any other way than by buying compulsorily the land around the great towns, and paying the market value to the present holders, so that if any increase should take place in future, it would belong to the community, and might be applied to public purposes. And in future, no doubt, new areas and situations would have increased values unbought by any purchaser, speculative or otherwise.

The speculative holder of land in or near the large towns should be expropriated on the payment of market prices, or if the idea of market price is not applicable because there is no true market, then on payment of fair prices to be fixed by an impartial tribunal. This speculative holding of land interferes with the general convenience of the community, which can hardly be expected to be in deep sympathy with the speculator's naked egoism thrust so unpleasantly before them, in his patiently holding on for years for his high price. It is a kind of freedom of enterprise or trade that ought not to be encouraged, and it would be well if the municipality in future anticipated all such speculators by an early purchase of the land, or failing that, by substituting itself for them at a later time at fair prices.

This, however, postulates a previous reform of Local Government, without which the species of semi-socialism here recommended cannot be effected. And

in fact a complete reform of Local Government, both as regards the towns and the counties, is the most urgently needed of all reforms, and one from which more might be hoped than from any other as regards the amelioration of the condition of the poor.[3] A reform which would confer enlarged powers on the municipalities, while retaining a due control of them by the central authority as well as by the local public opinion, in order to prevent the abuse of their powers for personal or party purposes, might confer great advantages on the labouring classes. In the case of the great towns a certain flexibility in the scheme of government would be required to allow freedom of action, and this can be secured by granting the municipalities enlarged powers of a permissive kind in addition to their essential powers and duties. Freedom will be required, because initiative and progress and varied development are best promoted by allowing the great energetic centres, like Birmingham, Manchester, or Glasgow, to go on their traditional lines as far as may be, while giving them a larger scope. It would be very undesirable that our cities should be exactly similar, like the cities in More's Utopia. The greater the variety the better, provided they all have the same good general aims. They will be so many great experiments, let us hope, aiming at the general well-being of the community, and at the suppression of poverty and misery

[3] The above was written before the passing of the Local Government Act of 1888, by which considerable powers are conferred on the County Councils, including that of London; the municipalities of the other great towns being unaffected.

not due to the individuals' own faults. It will be difficult indeed to effect this completely, or even to stamp out poverty in any single city, but the city that makes the nearest approach to it, that has the fullest schools, the emptiest prisons and workhouses, the best and healthiest labourers' dwellings, and the fewest labour strikes, will be the model city. Perhaps it may even help to solve for us the problem that has hitherto become more insoluble as well as more pressing,—what to do with the able-bodied unemployed worker; or give a hint to London as to how to diminish the miscellaneous confraternities in sorrow who formerly met in Trafalgar Square under a black flag, and who still exist in large numbers though they no longer hold their congregations. If it does, it will indeed be the true Holy City, and the Kingdom of Heaven will have come nigh unto it.

IV.

THERE is a third class monopoly which, though not specially insisted on by the extreme Socialists, yet presses more heavily on the poorer classes, and produces more and keener misery than the monopoly of either land or capital. And what is the more remarkable, it is a monopoly that is more easily done away with, as respects at least its worst consequences, than either of the other two.

There is the monopoly of the Professions, of the Church, of the best appointments in the Universities and Colleges, of the best berths in the Public Service; of the best places in Business short of the highest; and of the

innumerable other good positions open only to aspirants with a certain standard of education, in addition to some capital however small. This monopoly of place, though not so palpable as that of capital or land, is quite as real, and is worse in its consequences, because it is the talent in the poorer classes that is affected by it; and this talent, though latent for the most part, is very great, considering the enormously greater numbers of the classes in which it exists, and the great numbers of these that do make their way in spite of the obstacles which keep back a far greater number.

There is here a class grievance and something more, inasmuch as it affects all classes and sections of classes, from the lower middle class down to the lowest of all; and the grievance increases as we descend the social grades, each lower section being excluded from an ever-wider field of prizes for which candidates in that section are out of the running. Besides being a class grievance, there is an enormous waste of genius and misapplication of national ability, which must have for one result a diminished production of wealth, though that is the least part of the loss to the community.

The grievance would indeed be much greater if the Socialist's argument were sound, that all wealth, including profits and rents, should belong to the labouring classes, and chiefly to the manual labourers; for then a very large portion of the revenues of the places above named should have belonged to them in the first instances, all profits except a manager's moderate salary, and if not all rents, a very consider-

able portion of them; so that they would have been thus twice deprived of their share, once at the first division of all the produce, and again at the second division of a large portion in the shape of the revenues of the professional and salaried classes. I have not been able to accept the argument which would assign all wealth in the first instance to labourers as such, abolishing interest and transferring rent to the State; all the more do I think that the best of these classes should have an opportunity of competing for so much of these funds as are up for distribution a second time, as professional fees or salaries of the public service, but from which competition the children of the labouring class are in main measure excluded.

It is no longer the capitalist who is the enemy here. It is simply the self-interest or selfishness of the middle classes in general, which, far from affording facilities to ability in the lower ranks, managed to appropriate for its own purposes most of the educational funds intended by pious benefactors for the clever children of the poor. It was a class selfishness; all natural, for the most part unconscious, though systematically and persistently pursued for generations. And just as the middle classes have broken in upon the monopoly formerly enjoyed by the upper and privileged classes of the best places in the public service which were reserved for their younger sons and other relations, and which were as good as a property for them, so now the lines of exclusion drawn by the middle class for their own advantage, or which their wealth necessarily produces, must

be considerably removed so as to allow something like equal opportunities to the best ability in the still larger classes beneath them.

And how is this to be done,—to be done effectually and not in name only? There must be in the first place either a nationalization of existing public educational funds so that all may have an equal share in them, or better still, an additional creation of funds in order to furnish facilities in the shape of prizes, exhibitions, and scholarships for the talented poor, such prizes to be attached to the primary and intermediate schools as well as to the new and old universities and the many new university colleges, so that the best may be assisted to rise successively and enter the universities, the professions, the public service, or an industrial career. By these and similar means the *élite* of the children of the poorer classes would have access to, and their chances of a share in, an enormous total annual revenue, which is perhaps greater than the profits of capital, considering that a large portion of the profits of capital, as well as of landlords' rents, a fair fraction of the public taxes and some of the wages of labour, go directly to form it.

The competitors from the masses and the lower middle class would thus have their chance of a share of this great fund; but let not the middle class be too much alarmed at the increased competition. They will still be well able to hold their own, owing to the advantages that money necessarily gives to their children from the beginning, both in securing the best education and training for competitive trials, and the further advantage in enabling some to hold out for

better prospects, or probationers to hold on, to tide over the unremunerating or the waiting years in a profession. The want of means will be felt by many even with prizes on the way and in spite of all their efforts, and many in consequence with ability short of the highest will fail. Fortunately for these countries, for most of the failures at home there are careers elsewhere,—in our Colonies, in India, in the great expanding Anglo-Saxon Republic—otherwise these disappointed ones would prove a source of social danger. And we here strike on one of the obscurer causes of German Socialism, in the great number of well-educated men who are in straitened circumstances and without suitable careers.[4]

We have not many such in these countries at present; under the scheme here recommended there would indeed be a considerable number unabsorbed at home, but for the placing of these we have facilities not possessed by any other nation. It would be something considerable that even the select could rise at home, and that as regards the greater number who would not rise so high, their condition should be better materially than it would have been without the national care and provision, to say nothing now of the special satisfaction which culture for its own sake brings.

In this way a great grievance of the Democracy

[4] It is of such that Dr. Max Nordau speaks in his book, "Les Mensonges Conventionnels de notre Civilization." "The *déclassés* are the intrepid vanguard of the army besieging the haughty social edifice, who, soon or late, will raze it to the ground."

would be removed, and many would be conciliated by feeling that their country cared for them, that the State was a fostering mother instead of an institution organized for the benefit of the rich and high-born. The path of the clever son might thus be smoothed considerably for him; and if by chance there was a brother with no special taste for knowledge, but otherwise apt and capable, such a one might, with a good primary education supplemented by technical education, take his place in one of the circles of labour with much more than his father's prospects —at the lowest with higher wages, with more leisure, with better instincts and aspirations; a lot perhaps on the whole as enviable as that of his more ambitious brother.

But what cannot be done for the clever one is to make his future position certain: a chance only can be given him which may in future for men like him be a safer and surer one, if, on his side, he has character as well as mental ability; and what cannot be promised to the second is that he shall have an equal share in the product of labour with the existing master, or even with the manager or industrial chief, if the master should ever disappear.

And the daughters, can anything be done for them? Yes, something. The clever girl, as well as the clever lad, will have a chance to raise herself socially, partly by the new opportunities that will be afforded to make a livelihood for herself, if necessary, but chiefly by the corresponding elevation of male ability, in her own grade, which will give her more opportunities to marry advantageously. Still more will the handsome

one, if she be moderately educated, even though not clever, be able to marry. Hitherto, Beauty in the lower walks of life has been sacrificed; or, if selected, it has been for questionable honours. As Genius, the Divine child incarnate, instead of being sought for diligently, and when found assisted and preferred to its fitting place, has been neglected and smothered in poverty, so Beauty in the lower classes has been trodden in the mud, and largely sacrificed to the passions or social necessities of the classes above. Partly from stupidity, partly from selfishness, both of these highest gifts intended by Nature to raise the human and the national type have been hitherto largely sacrificed—happily for both we can see fairer prospects in the not far-off future.

And whence, it may be asked, is to come the means for these prizes, and for all this free education? From the rich, I reply, chiefly, and by taxation, if necessary. But happily much, if not more than enough, will come voluntarily, as this fountain of beneficence has been flowing freely for some time past, and may be expected to flow still more liberally in future, when the rich get to learn there is no more certain way of doing good to others, perhaps of making reparation to classes which they by their position have unavoidably injured, or of averting envy from their own class. As in the olden feudal times remorseful and reparative gifts flowed into the Church, in future such will flow in large measure to the School, the College, the Hospital, and the Orphan Asylum, where undoubtedly they will be an equally good investment, with the spiritual security as sure. These dona-

tions will be largely the property of the talented poor. The remainder, if any more be needed, can be raised by taxes, imperial or local. Evidently the funds must come chiefly from the wealthier, and justly, the object being to diminish inequality of opportunities, and to raise the best of the poorer classes. A special educational rate, or a portion of an increased tax on inheritances, which for other reasons should be increased in future, would supply any possible deficiency in the voluntary contributions.

And why are we to do all this? some may say, give our money, or suffer it to be taken, to raise new rivals, and to make the poor our equals. And the answer is, partly because it is just, partly because it is prudent to give a part in order to insure the remaining and larger part, and a good deal because it is necessary. Because the days are come when the people have got some political power, and a new distribution of political power requires a certain corresponding distribution of wealth, or of the means to it, amongst which education is the first to the poorer classes. Moreover, if these several suggested changes are to their advantage—as who can doubt it—and if they are also just, the labouring classes will in time organize to demand them, and perhaps something more. And be not too sure they cannot get them. They ask a share of capital, of land, of education, or to be placed in a position to help themselves to a moderate share, from which they think they are unjustly excluded. This is their reasonable minimum, which granted would secure peace in our generation; refused would throw moderate and reasonable men

into the arms of the extreme and revolutionary party, who will ask much more. And say not, "There is no danger; things will go on without concessions or bribes, which only prompt to further demands. The danger is to begin reforms or legislation which touch on property." It may indeed be dangerous, in the sense that you may have to part with something, but it would be more dangerous to delay reforms, or refuse to attempt them. Nor console yourself with the reflection that in the last resort the sword is on your side, for principles are more potent than the sword, and they are now opposed to you. Moreover, the sword in the hand of the soldier has before now dropped before them on the day of trial. No doubt for a time a reactionary Government can repress But it would be difficult to do so long under our new democratic constitution, and the Government that tried it far would be called to account. It may be taken, therefore, that on reflection you will not oppose the needed reforms; nay, I think it likely that your representatives in Parliament will take a quite contrary course, and that a rivalry between Liberals and Tories may begin as to which can do the most for the classes beneath; that the Tory will try to befriend the artisan of the towns, while the Liberal and the Radical will champion the cause of the agricultural labourer; a species of competition, no matter what its historical origin, and however it looks like a game of cross purposes, that can only result in the general good. May it prove so. It is the most hopeful thing about our Party Government that each of our two great parties seems

anxious to take under its special protection and to work for one of the two great subjected sections of labour. And there is this finally to be said to our too apprehensive middle and upper classes. Honesty and justice in this as in other directions will be found the best policy. The partial reparation asked for will not amount to much during a single generation, while it will set the face of society in the right direction, and make social progress a reality and not a name. You will hardly feel it, and much less if you come to think rightly about it. In time you will feel glad you were called upon to make the sacrifice, which so far as voluntary will be counted to you for righteousness. You will have the satisfaction of having done your duty by your neighbour, which in our times so many know not how to do; of having been on the side of justice in your day and generation; of having thereby aided in the solution of the greatest, most perplexing, and most formidable of all problems, and of helping to keep off the chaos threatening, which might else have come. And if the case is rightly thus put, it can hardly be doubtful which of the courses you will prefer.

V.

We come to another and a vital side of our subject, perhaps the most important side of all. Of the two chief corner-stones of our present economical and social system, interest and inheritance, interest, as already shown, could not be touched by law without producing confusion, nor abolished without immediate and universal chaos. It is other-

wise as respects inheritance. Inheritance can be touched by the State both by legislation and by taxation, and it has been already touched with advantage. I believe with Mill, that the right of inheritance could be still farther restricted with much social and moral advantage, and without economical disadvantage, provided that the infringement did not too greatly run in advance of the public sentiment, which is now setting in that direction.

The reasons for the State restricting the right of inheritance, and reserving a portion for itself, some of them strongly urged by Mill, forty years ago,[5] and of still greater strength to-day, are of the following nature:—That part of the wealth left by rich men, though legally it belonged to them during life, was yet not morally theirs, the whole being far more than their services were worth, even rating them highly and rewarding them liberally; that of the million or half-million, supposing it all to have been "made," as the phrase runs (and not inherited), part was the result of mere luck, part of business genius, or of good business qualities and skilful audacity combined, which last makes the great and successful financier and speculator, though even into honest production and distribution the speculative element increasingly enters, so that chance as well as skill, in consequence, is represented in the pecuniary results. In the case of both producing and distributing capitalists, still more in the case of the financing ones, those who leave large fortunes are the successful survivors of

[5] Political Economy, Book ii., Chapter ii. § 4.

many competitors, most of them failures who move on crippled wings, or who have long since gone to the bottom. In speculation the losses of the failures become the gains of the fortunate, as the expected profits of the employing capitalist who failed are appropriated by his rival through extended custom and in other ways. A large part, then, of this pile of wealth was due to luck; what part was withheld from the workers in some cases, what part was the result of monopoly prices or of skilful cornering, or of other questionable practices which cannot be prevented, but which the moral sense disapproves, we cannot precisely say, though we know that a considerable fraction of the total amount subject to the death duties is due to these several causes, and might very fairly be taken by the State if it could be distinguished. The only way to do rough justice would seem to be to lay on an additional tax, increasing the rate as the amount of the property left increases.

By falling on inheritances a tax falls where it can best be borne, hits where it least hurts. The dead man will not feel it: he only felt it prospectively during life; the heir will not feel it much, considering his great good fortune. The testator was lucky, but he also laboured; the son is more lucky, inasmuch as he inherits the results of his father's luck without labour. The father's fortune included "unearned increments" not due even to his father's labour; the son gets these and much more without any labour, and surely he should not grudge the State a share, especially if taken at the time of his sudden accession to fortune, when he can best spare it.

The heir cannot here prefer the highest of all titles to property, namely, that it is the direct fruits of his own labour, or of the labour of others that he has bought at an agreed price. He has no moral claim to all his father's wealth, but only the legal claim that it was freely bequeathed to him by its former owner; but this power of bequest or gift after death the State has always reserved the right of controlling in accordance with its views of general expediency; so also it has reserved the right of taxing bequests. In ancient times the State or the laws controlled the power mainly in the interest of the family, because the claims of the children were then real as joint labourers and defenders with the father. Land was then the chief wealth, the family group and not the individual was the unit of society, and no outside group could urge a claim to part of the property, while the needs of the State for general purposes were small. Inheritance was then a natural institution, and pains were taken by law-givers like Moses to give it the sanctions of law, and to make it inalienable. Now things are all different. Great masses of wealth are frequently aggregated in money-form during a single life in sundry ways. There are opportunities to a man who devotes himself exclusively to money-making not possible formerly, not possible even a hundred years ago, by availing himself of which he may leave wealth to the extent of millions. The contention is that these millions, though legally the maker's, were not all morally his. They were not absolutely and wholly his, still less are they his son's, by any natural or moral right. Besides his skill, his

luck, his initiative even, he could not have had them save for the progress of Science and Invention, nor even if Law had not favoured him in various ways by allowing him a very free hand in the supposed interests of trade and industry generally—a somewhat freer hand than he will have in future. The public has a moral claim to a part; the public, including his own assistants or hands in his work, nay, even the orphan children of a defeated rival in the business, perhaps the needy son or grandson of the inventor of some improved "mules," or of the discoverer of some chemical process, the chief pecuniary results of which have gone to the capitalists. The interests of Science and Invention have a claim. The State, besides, has its own special claim, always allowed, and the State might, when levying the succession duties as its own special claim, collect such an additional percentage as it may deem due to these several other claims.

That there is a real public claim, though of indefinite amount, cannot reasonably be doubted, and the best confirmation of the contention is the practice, now happily growing on the part of wealthy men, of leaving bequests for public purposes, or even making beneficent donations during life. This practice is no doubt partly due to the feeling that they owe something to the public outside the family group, though it may also be due to other causes. Those who thus anticipate and give of free grace what is due do well, and it should perhaps be allowed to count in abatement of the State's subsequent claims; those who will not emulate the good

example should receive admonition from the State in the form of a special and additional tax, to be put upon inheritances and bequests.

The extra taxes thus raised could of course be used to ease the burden of taxation in other directions; but it would be better if they could be appropriated more specifically for the benefit of those who might presumably have suffered pecuniary injury by the large accumulations, which would be the working classes through short wages, the general public through high prices, or defeated rivals, the incidence of the injury falling differently according to the class of capitalist, whether producing, distributing, mining or financing. Part of the proceeds would be morally due to the Friendly or Benefit Societies of working men, as Prince Bismarck apparently thinks, though he prefers to levy it during the master's lifetime; part is due to the Orphan Asylum or the Widow's Assurance Society for the wife and children of defeated competitors, but this would come with more grace from the voluntary gift or bequest of the conquering capitalist; something also is due to the Educational Funds of the nation in the shape of prizes and exhibitions open to all. Part might also be appropriated, not so much to interests damaged by industrial war or monopoly, as to more general interests, such as science and invention, from which was derived a portion of the fortune in many cases; and this part would naturally be allocated to the endowment of the Technical School or the College of Science, following in the lines of the excellent example set by the late Sir Josiah Mason, Sir

Joseph Whitworth and other benefactors, who thus repaid their special recognized debt to science as well as to their countrymen in general.

In this way reparation might be made to underpaid hands, to ruined rivals, to the general public, to the unemployed in the special industry. But the objection will without doubt be raised, that the tax would be evaded by gifts during life, or by private arrangements making over the interest in the business to the children, or by other ingenious devices which the genius of self-interest will suggest to astute men fertile in expedients. I reply that such would only be the case if the portion reserved by the State be excessive; it would not be so to any great extent if the increases were made by degrees, and were not very considerable at each increase, and if they did not outrun the general public sentiment setting in the direction of restraining overgrown fortunes. Besides, certain evasions should be classed as fraudulent, and discouraged by penalties. Then it may be said that the tax would so much discourage saving and effort that soon there would be a small volume to tax, and that finally all, and especially the working classes, would lose more than they would gain. This too only applies to excessive taxation, and even if to a small extent it would be true as regards particular individuals, such slackened effort and diminished savings would give a better chance to rivals, or to companies that would be glad to find a field of enterprise less occupied, though their accumulated profits be liable to deduction. After a certain time as much labour as before would be employed,

while the profits would be more divided. By degrees undoubtedly, the capitalist being a very clear-sighted person, would accept the situation, which would still leave him and his children in a far better position than would have been possible for him had he lived a hundred or even fifty years ago.

On the whole, the advantages would greatly outweigh the possible drawbacks, and this is the only direction in which a part of the policy of the Socialists also falls in with the past policy of the State, the views and sometimes the practice of enlightened business men, as well as the suggestions of some economists, including John Stuart Mill. We cannot go the impossible length of the St. Simonians and other reconstructors, who would abolish inheritance altogether : this, though not so chaotic in its consequences as the abolition of interest, would equally run against human nature in one of its deepest parts, the sentiment of family, and family affection ; so that it would be impossible to carry out the law ; but we can and should limit inheritance.

Mill has in this connection suggested a plan that would have more extensive consequences, for which the times are hardly ripe. He suggests that the power of bequest should be free, but that the amount that any one heir or legatee should be permitted to take should be limited by law to a moderate competence. In reality, this, while leaving the power of bequest apparently free, would restrict it, because if the testator's intentions were not allowed to be carried out, he would not be free to leave as he pleased, and they would not be carried out if he bequeathed

the bulk of his property to his children, while the State declared the children could only inherit a certain amount. Let us, however, consider the consequences of the idea.

A rich parent dies, and leaves four children, together with personalty to the extent of say half a million. The State has declared that none of the children can inherit more than a competence. This we will suppose to be 1000*l.* a year. 25,000*l.* is all that each will be allowed to take, supposing interest to be four per cent. They cannot all together take more than 100,000*l.* The State comes in for the remaining and much greater portion, unless the testator has made other bequests.

What, under such a law, would be the likely course of the parent? He can leave his wealth as he pleases, to individual or corporation, but he cannot give more to any individual, however dear, than a limited amount. The result, though difficult to follow, will be important and far-reaching. The ordinary motives to great and long-continued exertion are weakened. The greatest of all motives, namely, to provide for the interests of a family, is not indeed weakened, nor the motive to work for wealth so far as it ministers to his own luxury or ostentation or power during life, but the motive to exertion after enough is made for these purposes is absolutely removed. When he is worth a quarter of a million, he has little motive to work to leave half a million, because the first gives him all he wants; and certainly after he has made the half-million, he has little inducement to work for another half. The result would probably be a remis-

sion of effort, or early retirement, or greater unproductive consumption in the latter part of his life, unless indeed we suppose a great moral change to have come over his character, which makes him desirous to work as hard as ever for the general good; unless he is satisfied to give higher wages to his hands, or anxious to give more contributions to public objects. No doubt by fixing high the amount that each one might inherit, or rather, what comes to the same thing, by not lowering the existing unlimited amount too much or too soon, objections to this view of Mill's may be met, and as Mill also recommends increased taxes on inheritances, the practical results of the two views would not be very different. On the one plan, by the State reserving a fraction, say one-tenth, the testator would be left free to dispose of nine-tenths; on the other, he could only leave up to a certain sum to any person, but he might leave to that amount to as many persons as he pleases, and presumably to corporations to a still greater amount. The important practical matter would be, in the one case not to fix the State's portion too high, in the other not to put the competence allowed by Mill too low, so that under either scheme we might go on without any considerable solution of continuity in the sphere of industry.

And here the conclusion comes in view that all speculation in social matters always brings us to, —that all proposed changes in legislation, or in practices, presuppose, to make them effective, a moral or psychological change in the individuals. If you could change men's motives, the springs of their action, you could change all the rest. If you

could get men to desire to live and labour for others, as the Positivist motto is; if you could really get them to love their neighbour as themselves, as Christianity commands; if men were the sort that Mill thinks they will become, these laws would be efficacious, for they would only anticipate the desires of men. Even then they would be useless, as men would do the thing proposed without the law. The law at present should not be far ahead of the best men's practice, or moral feeling at least; it should not be ahead even of the feeling of a considerable minority, for the majority, if they cannot get the law altered, will then try to evade or stultify it. But when the sentiment and the practice turn the way the reformer desires, the law may be passed. And contemporaneously the preaching of the moralist is required. He may urge with effect, as Mill does, that the son's happiness would be better consulted by a moderate competence than a large fortune, of no use save to give dangerous power or to command to satiety heaps of intrinsically worthless things, which receive their value from a mere perverted taste and opinion. Of course there is at present not much use in preaching this doctrine to the generality. But a great change has come over many, and the value of immaterial and comparatively uncostly things is beginning to be discovered, especially by the son of the capitalist. Culture, art, science, literature have begun to appeal to feelings in his breast; above all, he who will be the future industrial chief has been meditating about the social and moral sides of the great economical questions, and he is disposed to

take a different view from his father or grandfather. The mind and the moral sentiments of his age and country have embraced him, are pressing on him. He cannot escape them, happily does not wish to do so. And from this young man, when he comes to fill his father's seat, considerable things may be expected. I think he will be called on to take a large part in the solution of this labour question. I expect he will rise to a higher conception of his function, and that he may make it for the first time, though for less pecuniary reward, a really great one, by accepting its moral as well as its other responsibilities. And it may be noted that Mill is ready to allow to him much more than a competence, though he also looked —a little prematurely as I think—for his early disappearance, or his transmutation into the salaried manager.

VI.

BUT what of our friends who used to meet in Trafalgar Square under the black flag—the genuine unemployed, as distinct from the loafer, the mendicant, and the thief—the men who have worked, who are able and willing to work, but who can find no work? Strange to say, this obscure man out of work constitutes the *crux* of our civilization, and the future of society may depend on how it disposes of him, how it deals with him. His cause is in our time the cause of humanity, the social problem turns round him, and we must hush all fine talk about progress, love and life for others, freedom,

justice, even religion, so long as he is in our midst, and his life is miserable and insecure. We must suspend a little our activities for the heathen, and our anxiety to save his soul, our compassion for the far-off slave, all benevolent and philanthropic effort and talk, till we steadily face his case to see if anything can be done to better it, whether by the State or any agency outside himself. There are indeed those who believe that nothing can be done for him by the State whether by legislation or remedial measures without producing worse results for the labouring class ; that the fate of the unemployed, in common with that of all labourers, is in their own hands, being bound up with the Malthusian law of population, and that by a due restraint on the numbers of his class, and by no other means, can work be assured and wages raised ; low wages and want of employment coming from excessive numbers compared with the demand for their labour. On the other hand there are remedies confidently offered for his case, irrespective of the law of population : and as usual we shall have to search for what is true, as well as for what is practicable and necessary between two opposite views.

The case of the unemployed is a very old one, if it be also a hard one. Two thousand years ago in Judæa he was found standing "idle all day in the market place," and why ? "because no man had hired him," as we read in the Gospels. Under every society organized on the principle of individualism and private property, he necessarily appears, after the land has been fully appropriated. Under a

slavery *régime* he does not appear; under the feudal system he did not show; it was only on its break-up and after the emancipation of the villeins and serfs that the unemployed proletariate made his "first tragic appearance on the stage of mediæval society." We find him in England from the reign of Richard II. onwards, the emancipated but landless villein; throughout the century of the Tudors the "true men" out of work, as well as the "valiant beggars" and "sturdy vagabonds" who would not work, were constantly increased in numbers, first by the dismissal of the warlike baron's retainers at the end of the Wars of the Roses, then by the displacements of the tenants through the cruel conversion of the arable land into pasture in the reigns of Henry VII., Henry VIII., and Edward VI., as well as by the suppression of the monasteries, which withdrew a provision for the most destitute.

The poor were always in existence, the lack-lands and lack-alls; but the unemployed worker in the large towns, the "reserve army of labour" (as Marx calls it), now at work, now anxiously looking for work, or doing nothing, is a comparatively modern as well as a portentous phenomenon. This is the true proletariate—the modern workers who cannot find constant or assured work, and who are badly paid when at work. And if we would know the remedies, if any, for his case, we should clearly know what brings him here, what were the causes that increased his numbers through this century; for to know the causes of social as of bodily diseases is half the cure, supposing the case admits of cure.

The explanation of his presence in our times and in recent times is briefly this :—Having no capital of his own, he must hire his services to an employer, and the employer sometimes wants his services, sometimes not. When trade is good, when business is brisk and buoyant, employers want him, want all possible hands for their work, and would be glad to have additional ones if they could be extemporized quickly. Then is their harvest, the ready realization of which requires more men and perhaps women, requires at least more human labour, which may be got either by working the same numbers extra time, or by employing additional hands, sometimes by both means, if the period of hope is unusually prosperous and prolonged. While the good time lasts, all hands are employed in that special province of industry, whether cotton, woollen, linen, iron, coal, shipbuilding, or any other. Further, there is a general tendency for a gale of prosperity to spread, and to buoy up more than one, sometimes nearly all industries. This is the hopeful period. Masters are very sanguine ; at all events they are daring ; the more they can produce and sell, the greater their profits ; if the gale of prosperity would last a few years, the more fortunate may make fortunes. All are stimulated, all strain their energies, they produce enough, too much ; the foreign markets whence their orders generally come are glutted. They can sell no more ; their foreign correspondent writes despondingly. There is no use now in producing more ; it will be unsaleable save at great sacrifice, and it was made to be sold. Then comes the check, and the

dismissal of hands. To produce more would be of no use, while by the dismissal of hands, or work at half-time, much weekly wages at least are saved. And just as when the trade was prosperous its prosperity communicated an impulse to other connected industries, as well as received one from others prospering, so now when the tide turns the others likewise feel the retiring ebb of prosperity.

The modern industrial cycle, consisting of the three stages, average business, prosperity, and depression, and latterly contracting into the two alternate stages or waves of prosperity and depression, explains in part the presence of the unemployed in extra numbers at particular times, as well as in considerable numbers at all times—because there are nearly always some industries depressed even in the best of times from special causes, and these again are connected with their special circle of industries, which suffer with them. Thus, then, from this cause there are always some, and sometimes a great many simultaneously out of work.

There are other causes for the permanent unemployed. Agriculture has long been depressed in England, and this cause has sent a permanent stream from the rural regions into the great industrial centres ; a fact which constitutes an exception to the general rule that the unemployed are only temporarily so, and will be again required in their respective spheres. For the agricultural labourer who has gone to the towns will not be required again in the country unless English farming again becomes prosperous, or unless some change is made in our agrarian system to

call the labourers back to the land. This permanent stream produces a rising flood of unemployed, especially in London, unless they can be absorbed in great numbers, and no doubt the constant expansion of London from other causes allows of and creates work for some of them, but not for all.[6] Then we have the poor foreign tradesman who comes to compete with our tailors and needlewomen, and who either adds to the unemployed himself, or worse still, supplants the English worker by accepting lower wages. We have also the Irishman who leaves the poorer country to try his fortune in the richer, but as he is frequently an unskilled worker, he only gets the rudest work and hardest, sometimes none. His presence, however, increases the unemployed, using the word in a wider sense, to include all kinds of labourers, even the most casual when doing no work.

There is also a rather constant layer added by the permanently displaced English worker—the worker who is displaced, not by the cheap foreign labourer, but by labour-saving machinery. The new invention which makes the fortune for the owner is constantly scattering the workers. There is no doubt some compensation for this to the collectivity in the cheaper machine-made products, and even to the working class in an ultimate extension of the

[6] The agricultural labourer who comes to London frequently establishes himself at the expense of the Londoner with inferior physical stamina; so that it is the latter rather than the former who adds to the unemployed, and, no doubt, the like is true as regards other great cities.—See Booth's "Life and Labour of the People" (of East London).

field of employment, but it is a fact that great and ever-improving machinery, and machinery which is constantly doing work before only done by men or women, allows of a less number in that particular instance, unless it is the means of enlarging the business by enlarging the demand, so that the displaced may be again required. The latter may indeed happen, but it requires time during which the displaced, who are more or less skilled labourers, swell the ranks of the unemployed. There may not be so many required as before, or their special skill may be rendered useless in the particular industry by the machinery, and will be still more useless elsewhere, in which case they are extremely likely to be permanently unemployed, but possessing a special claim, as Mill says, on the legislator's care, "their interest having been sacrificed to the gains of their fellow-citizens and of posterity."

There is also a cruel tendency in certain businesses to dismiss men when their energy begins to flag; or, to make sure, even earlier, by pressing the young in earlier: and from all these causes together there is always a large army of unemployed in London, while at the present time[7] there is rather more than the usual number for some years back, even though the general depression is less acute than it has been, and there are signs in some quarters that we have passed the worst.

But are these depressions less unavoidable? It would appear so; because our great industries produce

[7] The above was written in 1888 near the end of the last depression of trade.

for a world-wide market ; while the entrepreneurs are largely in the dark as to the causes that may affect the demand for their goods. They cannot tell when a demand may cease, or lessen, or increase ; they produce normally on chance at a certain rate, until the demand increases or diminishes. When it increases, when trade is good, competition urges all to produce to the utmost, which soon becomes too much. Producers cannot tell when Russia or Germany may lay on a tariff, or increase one already laid on ; they cannot tell when the United States will lessen one. Besides, trading countries are connected in good or bad fortune ; foreign countries may be prosperous or the reverse ; when their trade is prosperous, they have the means of purchasing our goods ; in the reverse case they have not, and their orders fall off : from all which it follows that manufacturers cannot know the exact amount to produce in advance. They await the impulse from the outside ; when the chance comes, they produce as much as possible, and by competition it soon becomes excessive. If the foreign as well as the home demand held steady, they could always keep on their hands ; if it was steadily increasing, they could constantly add to them ; if it even decreased according to any rule that could be forecast, the numbers thrown off might eventually be otherwise absorbed. But the matter is largely chance, and all that can be foreseen in the case of our great staple trades is that all the hands will be sometimes wanted and sometimes not. The manufacturers, however, think it well to have them when wanted, and nobody would

less like than they that their hands should emigrate in large numbers. If they did so, it would mean the employer's ruin when the days of prosperity came round, for the labourers cannot be dispensed with, and substitutes, speaking generally, cannot be quickly got. The system, in fact, of partial employment is, on the whole, an excellent one for employers; it saves wages when the hands are not needed, it enables a certain pressure to be brought to bear on the better operatives regularly employed, and it prevents the workers in general from asking too high wages, or asking them for too long a time.

And one conclusion seems to follow from the fact that the labour of most of the unemployed is socially necessary, and necessary to the employers; namely that for the very reason that they are sometimes unemployed, they should get higher wages when they are employed, on Adam Smith's principle that the mason's wages are high because he is necessarily a considerable time doing no work. From the point of view of justice and social utility they should be better paid when they are at work, but unless they can make their claim effective by standing out, they will have to take such terms as their masters offer.

Employers, no doubt, cannot be expected to employ people permanently at a loss. But perhaps they are rather too much given to dismissing them. If employers were more considerate, were a little less under economical and more under ethical motives, the outside circle of the unemployed would be less, and the individuals would be in it for a shorter time.

And it makes all the difference to the worker whether he is out of work ten weeks or twenty; it may be a matter of life and death, of pauperization, humiliation, and loss of self-respect; to the employer it is a matter of making a certain range of profits supposed to be necessary. Why should he not keep them on until the line of interest is touched? Those most prosperous and firmest on their feet could afford to do so, and no doubt some of them do act on considerations other than economical without suffering much economical loss. It is even said that companies have been known to carry on work without dismissing their hands while dividends were at zero, the manager and the workers sharing the whole proceeds, and the shareholders receiving no interest. This, no doubt, is a degree of self-sacrifice that could not be expected to last long with the average shareholder; nevertheless the fact suggests an interesting question for the workers' meditation, namely, whether they might not after all get better terms from a company than from the private capitalist, who is more intolerant of reduced profits, and less able to bear them than a company where the loss is spread over a number, while the manager's salary is assured. The company is indeed popularly supposed to be deaf to all considerations other than dividends. This is doubtful in the case of some producing companies, but as between them and the individual capitalist it is not doubtful that the egoistic and strictly economical motives are stronger and more concentrated in one than in many. It is indeed, according to orthodox economics, because his egoism is so alive and his eye

so keen in all directions, that the profits of the private capitalist are so large as they are.

"But you ask something too much of us," may urge the capitalist, "first to share our profits with our employés, then to incur losses or considerably lowered profits for their sake. The latter up to a certain point we can do, provided we are allowed to reap all the profits when better times come. But we cannot do both, divide our profits and suffer the losses; and we cannot keep permanently employing people in producing goods which don't sell, when perhaps the additional produce is worth nothing, perhaps less than nothing, because it helps to lower the price of the stock already produced. Our production depends on orders from without; if we keep on producing in slack times irrespective of the demand, we should have our capital invested in the risky form of unsaleable goods, and we could not then go on producing more till our stock was taken off. We would not have the means. We should thus have finally to pull up, and dismiss them, and we ourselves might be ruined by having our capital in a form that might have become enormously depreciated in value. So you see there is a limit to our power of keeping our hands at work, if we are to make ordinary profits and keep out of the Bankruptcy Court. We should prefer to employ them always, and to be always working full time, if we were not to lose by it. When our machinery is not fully employed, we lose interest on our capital, and we have certain constant expenses; during this bad time, if we kept on our hands, we should lose their wages likewise. Their work—the produce of it—during that time

would not be worth their wages; it might be worth nothing at all. We only dismiss them when we should be considerable losers by keeping them, but we shall be glad to have them back when our accumulated goods move off, and the good times come round again."

Now there is truth in this, so far at least that even the best-disposed employers must dismiss in stagnant times a portion of their hands, from which it results that there will always, under the present system, be unemployed more or less numerous from this cause as well as from some of the others before enumerated.

Such being the state of the case, the question what is to be done with the unemployed becomes a question as difficult as pressing. The workhouse is open to them, as the police magistrate tells them; but the genuine unemployed operative or mechanic rightly feels the strongest repugnance to the workhouse, with its degrading associations. What the temporary unemployed want is either employment by others, or the means of working at some kind of work on their own account,—some second resource for their slack time or a reserve fund to fall back on.[8]

[8] If the average time out of work in a trade could be foreseen or gathered from statistics of past years, this reserve fund should come from wages which should rise in the same proportion as the time of employment was reduced. Thus, if the unemployed time averaged ten weeks, the wages for forty-two weeks must serve for fifty-two, and should rise accordingly, though some small deduction might be made to be set against the fact of leisure and the individual chances of casual work.

They cannot work at their own calling or craft, for one reason, because they have no capital; they must, then, either be set to work by the Government or by local authorities. But neither of these can employ them at their own craft, because, amongst other reasons, they would then be in competition with other labourers in their own industry and would injure them (a point to be more fully considered presently). They can only be set to some kind of useful public work requiring only rude labour of a general kind; with of course economic loss, and waste of skilled labour.

In parts of France the artisan has often a plot of land, perhaps an acre or two, and that solves the problem; the like is true in parts of Switzerland. They work on the land when not otherwise employed. Perhaps something in the same direction might be done for our artisans to the benefit of their health, as well as the increase of their resources. It would also somewhat ease the public conscience, as well as be a guarantee of public tranquillity, and most certainly something of this kind should be tried. It will, however require the landlord and the municipality to address themselves to the problem in the right frame of mind. Perhaps it will require the reformed local government so long promised before anything considerable can be done.[9]

[9] Written before the Local Government of 1888 was passed, which does give certain powers of the kind required to the County Councils.

VII.

BUT can society not assure to the labourer work; recognize the right to labour as an inherent right of the working man? It seems at first sight a reasonable demand that the worker should be assured of work, especially as the State has already guaranteed to him the necessaries of life if he is out of work and in want.

It seems at first sight a small thing; but in reality the right to labour recognized would be a very great thing, involving wide-reaching and momentous consequences. The following is the first, according to most economists, including J. S. Mill:—If work, with wages, were assured to all who asked for them, not merely to-day but in future, there would be such a premium put on population, there would come such an ever-increasing throng of claimants, that profitable work could not after a time be found for all: the results of their work would not be worth their wages in the case of an increasing number of labourers, and as the right to work would involve the right to at least necessaries so long as society possessed reserved means,—the increasing deficiency in the results of inferior labour would have to be made up by increasing taxation of the wealthier members, until at last the whole annual income of the country would barely afford subsistence to the population. The tax for the support of the poor would engross the whole net produce of the country, the payers and receivers having at last reached equality in a universal poverty. At that point, according to Mill, the check on popu-

lation could no longer be postponed; it would have to be applied, or the increased numbers would die of starvation; it would have to be applied suddenly, civilization, culture, and everything that places mankind above a nest of ants or a colony of beavers having been sacrificed in the interval, for the sorry result of a large population whose sole care is to have sufficient food.

If the morrow were perfectly assured, if work were certain or, work failing, if subsistence were assured on conditions not somewhat disagreeable, there would be no restraint, Mill contends, on population. At present there is a natural restraint from the difficulty of finding employment, and the moderate wages paid to those employed. Life must not be too pleasant nor too sure, or else increased throngs would soon come to share the banquet, which would soon become a sorry one for all at the board. Such is the view of Mill and most English political economists. There are those who deny that certainty of work would cause labourers to marry earlier and to have larger families, who say that the more the morrow is assured and the better their condition grows, the less children are the result; that poverty makes the poor reckless and at the same time prolific, that if their condition were first raised and assured, the danger from over-population would cease. This is M. de Laveleye's opinion, whose contention is that "misery and ignorance" are the causes of too many children, while diffused education and moderate comfort make men provident. It is not perfectly certain, then, that if subsistence

were certain, or if work were assured to all who claimed it, the population would increase to the alarming extent dreaded by Mill, because if food were as certain as air, and as easily obtained, labourers might come to think that still life was not so fine a thing as to justify their calling in ever increased numbers. If food were assured, other things that were not assured would perhaps grow desirable, and be regarded as necessaries; in other words, their standard of comfort or of what was necessary for a life worth living might rise. This is no doubt sustainable; but probably full assurance of the future in the existing lowest grades of labour would be a source of danger, because the evil consequences of over-population would be distant, and the brunt of the danger would be borne by the rich when it did come. The evils would fall on the rich, who could and, in the opinion of the poorer classes, should bear them; the pleasure and gratification would be their own.

It must, however, be observed that if the fear of a superabundant population were the sole objection to the allowance of the right to labour, it can hardly be doubted that means could be devised to restrain population, if the disagreeable necessity were forced on society. But there are other objections to the right to labour besides the possible swamping of society's ship through sheer numbers. The right being recognized, the State or the municipalities or the county authorities would have to provide work, as well as recognize the right to work, in case private enterprise failed to provide it; that is to say, the

State would have to start at once on the lines of advanced Socialism, and this it is by no means ready to do. The statesman at present says to the labourer out of work, "The State cannot undertake to find work for you; if it did find really paying work for you, such as you have been doing, it would be at the expense of your comrades now employed; and if it were not paying work, if the results would not support you, the taxpayers would have to make it up, and the more of you that came, the more they would have to contribute. The reason you are now out of work is because your work was not sufficiently profitable to your late employer; the reason this work which you ask the State to undertake was not undertaken is because it would not pay current profits, at least in most cases. Why, then, should the Government undertake it? And if it did, you are not exactly the class of workers that it would prefer to employ. Possibly with select workers and good superintendents it might make the work commercially paying, but hardly with you, if it may be said without offence. But there is a stronger reason against its undertaking such work. The State, the Government, does not consider it amongst its functions or duties to find work for all citizens, and then to set them at it; it is not at present constituted for such a purpose, and, to say the truth, is not well suited for it. Neither, for that matter, is the local authority. It cannot, then, do what you want, start the work you recommend, without working at a loss to be borne by other citizens, while even if working successfully and on

business principles, it would come in competition with the same kind of work under private enterprise, in which case it would to the extent it succeeded create as many fresh unemployed as it had set to work.

"The Government cannot, then, guarantee you work; but it accepts the responsibility of trying to make the total field of industry as wide as possible for you; of giving to all citizens in future more and fairer chances of helping themselves, by educational facilities and in other ways. The State can reform unwise laws or unjust laws that may have injured the labouring classes. It will interfere to protect your life, your property, your health. It can re-adjust the burden of taxation, perhaps, a little more equitably, and in your favour. In these and other ways within the understood limits, the State can help to place labourers in a better and a fairer position, after which their fate must be left to themselves, our Government not being a paternal one, and its policy having had for aim the making of self-reliant, prudent, and persevering men rather than grown children; though even if the State could make all its citizens comfortable, provide for all their wants, and remove all risk and danger, such a consummation would be dearly purchased by the sapping of the high virtues of self-dependence and forethought: which would be the only sure result of the otherwise futile and impossible aim.

"As for the existing unemployed, whose case we sincerely deplore, the State or the municipalities will do what is possible within the limits laid down to mitigate temporary hardships. Relief work of a

useful nature, in which there is no danger of competing with private enterprise, will be undertaken in supplement to private benevolence. More the State cannot promise without changing its functions, without entering on new paths fraught with risk to national interests, and especially the material and moral interests of the working classes themselves."

CHAPTER X.

ON SOME SPECIFIC REMEDIES FOR LOW WAGES AND UNEMPLOYED LABOUR.

I.

BUT besides labourers temporarily unemployed from depressed trade or other causes, whose case we have just considered, there are labourers regularly employed at long hours, and others again regularly but intermittently employed at wages not rising above Ricardo's minimum, corresponding to a low standard of comfort, and sometimes, though not in relatively many cases, falling below it; while, worse yet, there is a mass of casual labourers, including many degraded ones, whether from bad character or chance, who are in receipt of still less wages for such services as they render.

We are here concerned with the first class, the case of common, unskilled or but slightly skilled labourers at low wages or bare subsistence wages, and the question arises whether the State could do anything to raise the wages, or whether the labourers themselves by Trades Unionism, or any other agency, might hope to do so; in short whether there is any, and, if so, what cure for low wages, short of Socialism, which would make all wages depend on hours of average work.

The State could indeed fix a minimum wage, as at present recommended by some Socialists as a provisional measure; it could compel an employer to pay all labourers that he actually employed not less than a certain wage,[1] but it could not compel him to employ more at that wage than he thought would be profitable for himself. The result (apart from possible collusions to evade the law) would be that he would, in general, employ fewer labourers, and in certain cases, where profits would be greatly reduced, none at all after a time. The State would thus have done injury to the labourers that its action had driven out of employment, unless it followed up its benevolent intentions either by itself employing such, by supporting them without employment, or by supplying them with the means of emigration, in case they were inclined to emigrate. Of these three courses, the two last would hardly be recommended, or the last only in certain cases; and the consequences of the former we have already considered. The Socialists are indeed consequent in urging it, because it would be an important step in the direction of Socialism, and one which would necessitate further steps.

But could not labourers at low wages, by forming Trades Unions, and by refusing to sell their labour for less than a certain amount, themselves effectually fix a minimum wage? They certainly could in most cases form Trades Unions, and they could compel the employer to pay such higher wage if he employed

[1] Though it would be difficult to prevent evasions of the law in those cases where labourers would prefer lower wages than the legal minimum to none.

any of them ; but such unions would be extremely unlikely to embrace all the labourers, many of whom would merely have shut themselves out of the particular employment, and, if such Trades Unions were universal over the country, out of any similar employment elsewhere, by insisting on the higher wages. Higher wages they might, and in most cases probably could secure for the better labourers, supposing a certain quantity of the labour indispensable. They could not secure it for all without lowering employers' profits, unless in those cases where the demand was constant, and where consequently the price of the commodity produced (or the service done) by the labourer could be raised on the consumer or final purchaser, which, speaking generally, it could not. Some of the labourers would therefore be thrown out of employment, and if such Trades Unions, embracing all unskilled labourers, were universal, and all tried to raise wages, a certain proportion of them, increasing with the amount of increase demanded, would be thrown out of work everywhere. One-half or two-thirds of them might secure a rise of wages, the remainder being dispensed with. The latter would be thrown on some form of public charity, and the ultimate result would probably be that they would be glad to take the low wage rather than alms or out-door relief. There are, indeed, some who say that it would be better for the labourers in such cases, and in all cases where wages fall below the minimum, to stand out for at least enough wages to live upon ; perhaps they should do so : the result would then be that all who were employed at all would have sufficient wages, and

all the rest would be out of employment, living on alms or on the poor-rates, and the thinking public and the labourers themselves might then be led to inquire into the causes of the previous low wages, and thereafter to find the possible remedies.

It is not in general because employers are getting excessive profits that wages are low, because unless where there is monopoly or combination, or where the profits are known only to the employer, competition reduces the profits to the ordinary level. High profits cannot be the cause of low wages in most cases, though they may be in a considerable proportion of cases, and here Trades Unions might help to lower them. What then is the cause of low wages where they do exist, or on what do the wages depend? The wages of common labour, as the wages of skilled labour, depend on a variety of considerations, the chief of which is, no doubt, the demand, the amount of need of the general public for their services in comparison with the number of the labourers. It is not the absolute number of the labourers, but the ratio, the proportion between the numbers and the need for them, and this need or demand is partly a fixed amount, as in the case where the labour is related to necessary commodities or services, partly it is variable. In Australia and America the wages of common labour are high, in Ireland low, in some parts of England higher than others, on account of this proportion varying in favour of the labourer or against him. The wages also depend on the comparative amount of capital in a country, both fixed and circulating, and on the proportion between these two parts; on

the proportion of capital retained at home as compared with the amount that is invested abroad; the amount of capital depending on the saving habits and security in the country. Wages depend, too, on whether employers can find profitable fields of enterprise, and on the nature of such; whether they supply necessaries or an old and general want more cheaply, or merely minister to a luxurious want or a wholly new want, in the former case profiting labourers, in the latter not; and all this depends on the consumers. The wages of common labour depend to a considerable extent on the kind of expenditure of rich or well-to-do people, as well as on the amount of it, and on the proportion between saving and expenditure. They depend on the relative number of the class of labourers, which depends partly on their habits with respect to marriage; on whether they had chances when young of learning any art or craft that would have enabled them to rise out of the class, and thereby lessen its numbers; on the degree of their attachment to their place of birth or country, that is, on their willingness or the contrary to emigrate and thereby lessen the numbers; again, on whether the numbers have been increased without their will or consent by foreign immigrants, or by degraded labourers of their own countrymen dropping down into their class, or by a layer of temporarily unemployed labourers being added to it; again, on the number of deserters and social malingerers who pass out of their ranks into a lower deep because work is disagreeable. All these things have to do with the amount of wages of common labourers; but above all it depends, capital being

assumed to be in existence, on the demand and the extensibility of the demand for the products or services in which such common labour issues or objectifies itself, which itself is bound up largely with the general wealth, more especially with demand at home and abroad for those manufactures in which we have the greatest advantage, the extension of which increases not merely the amount of skilled labour directly required, but the amount of common labour indirectly required. If this widens, there will be greater demand for common labour and increased wages for preferred hands, and probably for all: if it contracts, there will be less wages even for the fewer employed. Wages in such cases might sink even below the Ricardian minimum: the labour might really be worth no more to the employer, however much it might have cost in efforts to the labourer.

II.

IN dealing with the problem of wages, the "classical" economists usually commenced by the assumption of a general or average rate of wages, and they laid down that this general rate depended on the ratio between the supply of labour and the demand for it; more briefly, on the proportion between capital and population; more precisely, as put by Mill, on the proportion between the wages-fund or "the funds of all sorts destined for the payment of labour," and the entire labouring population, whether productively or unproductively employed.

To this method it was objected that the general rate of wages has no real existence; that there is no

general rate in a country, but only in a particular employment within a limited locality, however the latter may tend to widen with greater mobility of labour; and, secondly, it was objected that Mill's mode of determining the average or general rate, by dividing the wages-fund by the number of the labourers, must be unfruitful so long as the fund itself was indeterminate in amount. The theory was finally abandoned by Mill after the attacks of Thornton, but it still remains in his work on Political Economy as the basis of all his reasonings and conclusions respecting wages, profits, and rents, together with their tendency in the future. According to him, the cause of low wages was excessive numbers, and the only temporary cure was depletion of numbers by emigration, the only permanent cure was a due restraint on population for the future, which could not be counted upon unless poverty could be extinguished (chiefly by emigration) for one whole generation, during which time the rising generation might become habituated to a higher standard of comfort. There was no other cure for low wages, he argued; and he certainly gives strong reasons to show that the currently proposed remedies of his time, such as supplements in aid of low wages, a minimum wage fixed by law, even allotments, if under a certain size, were delusive.

So wrote Mill in 1848, and though in 1869 he gave up the wages-fund theory, he never gave up his views on population. Nevertheless, population has greatly increased since 1848, especially in Great Britain, while the wages of all grades, including the lowest, have increased; moreover, pauperism has diminished. What,

then, is the explanation of this result, so different from Mill's prophecy, and with no room allowed for it in his theory which seemingly shut out the possibility of it?

The reason is not far to seek: it is, indeed, implicitly recognized elsewhere by Mill, though not when he lays down his official theory. The reason is that our manufactures, in which there is a law of increasing return, have been vastly expanded, while entirely new industries have been since created; and that by the greater concentration of labour and capital in this direction there has been additional employment at better wages, while by selling our manufactured products to foreign nations we have been able to draw half our bread supply from countries where the "law of diminishing return" is not yet felt. We have thus escaped, so far as food is concerned, from the law of diminishing return at home, which fact or law, as the economists show, is the only reason why increased population should not continually bring with it a still more increased return. The law of diminishing return is for the present suspended, so long as we can draw corn freely from America; it does not affect us much more than the Americans so far as our staple food for labourers is concerned, though it may affect us as regards other necessaries drawn from the soil or beneath it (e.g., fuel) which cannot be so easily imported. It cannot, therefore, be offered as the final reason why labourers must restrain population, the agricultural situation in England being that only the best soils are cultivated, while labour has gone increasingly to manufactures, where there is an increasing return; a fact which explains the rise of wages even with

an increased population, in spite of the economists prophecies.

But why, it may be asked, have they not risen still higher, if there is a law of increasing production in all directions, the culture of land not excepted, if we include as concerning us the countries with which we are industrially connected through trade, which supply us with food? The fact is, we could go on for a long time increasing production, and with increasing advantage, at the same time increasing our capital and population, if other nations would freely buy from us, or freely exchange with us. But they will not do so in general; they impose duties which narrow our market: the result is, that our production for export must be limited to the foreign demand, or we may produce too much. And this fact which limits our production limits our power of purchasing food in indefinitely greater quantities, and thus we see both why wages have risen with increasing population, and why they have not risen still higher; and we can see also why, though population may still increase, the rate of increase may in future have to be somewhat slackened to prevent wages from falling.

In Cairnes, who substantially follows Mill in treating of wages, we have an amended form of the wages-fund theory. He follows the same method, dealing with the problem of general or average wages in spite of his recognition with Mill of "non-competing industrial groups." He adopts most of Mill's conclusions, but goes beyond him in his own pessimistic one as to the tendencies of wages to become relatively lower under the existing system of hired labour. He certainly

presents the wages-fund theory in a clearer and less objectionable form. The fund, omitting a small and unimportant part, is, he holds, a portion of capital. Its amount depends on the nature of the national industries, being relatively greater in agriculture than in manufactures, where a large part of capital takes the form of instruments to aid labour. The tendency of the wages fund is to lag behind the other parts of capital, from which he concludes that the number of those who do not live by hired labour will increase relatively to those who do, and that the existing inequality will grow greater: "The rich will grow richer, and the poor, at least relatively, poorer." Finally, he gives us his remedy, which is the same as Mill's ultimate one, namely, co-operative production, "the sole means of escape," as he declares, "from a harsh and hopeless destiny."

Such is the conclusion to which his reasoning about an average or general rate of wages leads him, a method which tends to hide the fact that the real wages of labourers in different grades, as well as their real condition, are very different, and a conclusion which ignores the fact that some are very hopeful, many tolerably satisfied with their condition, and that most of them have no desire for the remedy, or belief in the plan of salvation, he would have them all accept. According to the terms of his conclusion, *all* labourers are victims of a "harsh and hopeless destiny;" all are equally deserving our pity and sympathy. All of them, too, should be equally anxious for a change, and co-operative production is the remedy for all, the uniform and the sole remedy: a conclusion to which his ab-

stract method, which requires him to shut his eyes to differences, even necessarily leads him, although his recognition of "non-competing industrial groups," with great differences of wages in each, should have prevented him from drawing it; while, again, attention to facts would have shown the futility of the cure where most needed, namely, for common and badly-paid labourers, co-operative production being obviously inapplicable to their labour, and otherwise impossible from want of capital; while skilled labourers, with good wages, who might therefore save and co-operate, prefer the present system because their wages are so good, and they fear to lose the substance for the shadow.

Even the reasoning by which Cairnes reaches his general conclusion affecting the whole mass of the labouring population, and the amount to be divided amongst them as wages, is not unexceptionable.

He allows that there has been a huge increase in wealth, that a given exertion of labour and capital will produce five, ten, twenty times the result as compared with that of a like exertion a hundred years ago, and he raises an interesting question as to the distribution of all this wealth. Where has it all gone? The greater part, it seems, has gone to the landlords in increased rents; the rate of wages has hardly risen, while the rate of profits has not risen at all; the latter statement as to the rate of profits being away from the real question, and misleading, the former not the fact. The share of the landlord, though no doubt it has been and is still great, is much exaggerated:[2] the

[2] See Giffen on "The Growth of Capital," p. 113. Cairnes' mistake was most probably suggested by Mill's chapter on th

capitalist class—employing, financing, distributing—has gained in a far greater proportion by it, and, as he afterwards notes, the rate of profits is simply no sign of, and should, therefore, not be offered as an explanation of the condition of the class, or the amount of their incomes; while, further, a large portion of the wealth has somehow found its way into the hands of the professional and middle class, other than the larger capitalists, though his method of inquiry and theory of distribution gives no account of it. He is disposed, indeed, to allow a slight increase in average wages, from the labourers' necessaries being slightly cheapened; he does not allow that they have been cheapened much, the improvements in production having chiefly applied to luxuries out of the labourer's range of wants or powers of purchase. In brief, the wages-fund is less because the landlords got the largest share of the new wealth, leaving less for capitalists and labourers; secondly, because the share of capital that went as wages-fund was largely diminished by the amount of fixed capital increasingly necessary; and lastly, because labourers' necessaries were but slightly reduced; the first and last being contrary to facts, the whole theory imperfect, and the practical

"Influence of Progress on Rents, Profits, &c.," in which Mill lays down that the tendency of a society constituted of landlords, capitalists, and labourers "is to the progressive enrichment of the landlord class:" the argument depending on the assumption that all our food is drawn from England, and that the law of diminishing return has to be fought against by agricultural improvements; the fact being that the margin of cultivation has greatly receded, and that rents have been for a long time falling.

remedy based on it largely impracticable, as well as illusory, where most required.

The true state of the case is no doubt as Mr. Giffen represents it: that wages have increased in all the grades of labour down to the lowest during the last fifty years, though the increase has been relatively less in the lowest grade; that most labourers' necessaries have been cheapened, except house-rent and agricultural products other than corn; that the wages-fund, therefore, or the amount of capital that goes to the payment of labourers, has not diminished much relatively, or apart altogether from the wages-fund theory, that the portion of produce which capitalists have retained as their reward has not so greatly increased; while, moreover, a part of that, as well as of landlords' rents and of taxes, goes to hired unproductive labourers—a fact which, though mentioned, is afterwards forgotten by Cairnes. There has been an improvement, then, though the condition of common labourers still leaves much to be desired.

The further cure for low wages, at least for England, the circumstances of each country being special, would consist not so much in emigration or additional restraints on population (though both may be necessary in future to some extent), as in the discovery of new and free markets for our manufactures; the diminution or removal of hostile tariffs by treaties or conventions, which where our self-governed colonies are concerned might be arranged between the Imperial and Colonial Governments; inventions which cheapen production of any kind, and which, though at first they give less employment, open the way for more ulti-

mately. These, on the economical side ; on the moral as well as economical side, a willingness to save for less interest, and to devote business abilities for less than present remuneration,—both implying profit-sharing in a wide sense,—would give employment to all labourers down to the lowest at increased wages ; while increased saving, accompanied with less luxurious expenditure, would tend to give a greater abundance, and by consequence greater wages to all, though it would convert some labourers who make luxuries for the rich into labourers for a wider circle of clients. It would, in fact, partly realize the Socialist levelling aims spontaneously ; though as it implies a serious change of moral disposition, it is rather to be wished than expected, at least for some considerable time to come.

The labourers on their side may in certain regions, especially in the lowest grades, exercise a greater restraint on population in the future, though even here absolute and general rules cannot safely be laid down. It is, however, certain that if the advice of Malthus had been acted on ever since he gave it in 1798, the enormous development of wealth which has since resulted would have been impossible for want of labourers ; while it is doubtful if the fewer labourers that would now be in existence would have much higher wages. Most certainly, without the increase of population, the vast addition to the world's wealth from the development of the resources of North America would have been impossible, by which we have profited as well as the people of America, inasmuch as it has delivered us from exclusive dependence

on the food resources of a small country. Nevertheless it would seem that the need of a somewhat greater restraint on numbers may be necessary in the future, from the very fact of the occupation of the best lands for colonization.

The State could also, as before said, by providing educational facilities to the children of the poorer class, give them access to the grades of labour above their own traditional one, from which their poverty now excludes them. Such mild dose of Socialism in our social system would probably not be relished by the skilled labourers whose qualified monopoly of a profitable field it would threaten, nor by those who might be taxed to pay for it. Nevertheless on ethical grounds it seems just, as on political grounds it is necessary, in face of the fact that the class of unskilled labourers is politically equal with the other labourers; though the instance is one that shows that the assumed solidarity of interest of the whole working class is by no means always the fact: a consideration of some importance, inasmuch as it may impose an emphatic prohibition on some social specifics which overlook it.

Complete Socialism, as conceived by the Collectivists, even if otherwise practicable, would still be a doubtful cure for the low wages of common labour. The amount of the produce to be divided amongst all would indeed be increased by rent and interest, as well as by wages of management, so far as these are excessive at present, perhaps by a still further levelling down of these, as also by the conversion of all idlers into workers, and by the restrictions on the production

of luxuries requiring much labour: on the other side, there would be the danger of greatly diminished capital, the diminished stimulus to invention, and to efficient production so far as dependent on the personal interest of the industrial directors and of all superior labourers, added to the not improbable stimulus to population; so that the quota of each, though it might be above the Ricardian minimum, would certainly not be as high as that of the better-paid artisan at present. The general level of wages might conceivably rise a little above the present scale for common labour, by pulling down the share of all other workers, as well as of non-workers; while so far as Socialism discouraged foreign trade, as it would be obliged to do by its principles, the shares of all would most probably fall below even bare subsistence.

III.

THERE remains beneath the classes at low wages a peculiar and somewhat indefinite class, half labourers, half idlers, willing or unwilling, whose case requires a separate consideration—the class of casual labourers who live by occasional spells of work, by doing odd jobs and miscellaneous services, or as occasional dependents on other labourers, eked out sometimes by out-door relief or by other charity, sometimes by the labour of wife or children, as well as in numerous other ways both known and unknown. This class, speaking generally, is both physically and morally unfit for regular and continuous labour from day to day, though its members are quite capable of rendering individual services requiring human hands or

human intelligence. The class is numerous, especially in the great cities, and most of all in London. It contains both hereditary members, and many who have fallen into it from all the classes above, sometimes from bad moral character or from incapacity, sometimes from mere misfortune and without imputable fault; persons feeble in physique or mind without being proper subjects for the hospital or the asylum, as well as others physically strong and mentally capable, but who dislike all regular work as disagreeable. On its lower side the class is in contact with, or shades down into, the lowest social deposit, composed of criminals, semi-criminals, tramps, professional mendicants, &c.; and it and these last together constitute the social residuum.

The class or congeries of classes is on the whole a very shiftless and hopeless one, though the upper section of it, containing the best members, can live without out-door relief, there being a certain indefinite demand for their occasional services, while such intermittent jobs and individual services are commonly well paid. The whole class is numerous,[3] though probably relatively less numerous than formerly; it is for the most part unhappy, especially its fallen members, and certainly very poor.

What to do with this large class, or how to diminish its numbers, has long been a perplexity to statesmen and a problem for social philosophers and reformers. Whippings, brandings, imprisonment, and executions have been tried to reduce it. Poor Laws were framed

[3] See Booth's "Life and Labour of the People" for interesting facts and figures touching these classes

first because of it, and sanguinary criminal laws have been passed to repress it. Ideal commonwealths have been devised expressly to do away with its most conspicuous types. The class is still with us; it would almost seem an incompressible quantity.

Nevertheless it has been somewhat reduced, and it may be reduced somewhat more by philanthropic effort and by organized charity, as well as by the State looking after the children and giving them chances of escaping from their inherited status. Both on grounds of humanity, and for the health of society as a whole, something should be attempted in their behalf by the State, especially through the local authorities. And yet it will be found a most difficult and perplexing problem to reduce considerably this lowest class, and impossible to get rid of it wholly, since it is demonstrable that there must absolutely be in an individualistic society a certain number always falling into the lowest social regions, as it is for the general weal that some should fall and suffer; the disagreeableness of their condition being the natural punishment of their fault or folly, though sometimes the consequence of their incapacity. If criminals, in or out of prison, were all comfortable, if foolish people were all saved from the foreseen consequences of their folly, if loafers and idlers were all happy, there would soon be a great increase of fools, rogues, idlers, and criminals. These must be left to suffer, but within a measure. The thing to be deplored under the present state of things is rather that there are some men, women, and especially children, who are the victims of misfortune and fate, nay, some who are occasionally

suffering from their virtues. These last are cases that might be discovered by judicious philanthropic effort, and the individuals might be assisted to recover themselves; while the children of all, even of the bad, might in part be rescued from the fate their parents' faults or follies or vices would probably otherwise have entailed on them and their posterity to the third and fourth generation. And to do this last would be the work chiefly of the State.

Socialism, as we have seen, would be a doubtful cure for low wages. Neither, if it were established, could it cure the mass of social drift and wreck, some of it necessary for the general weal as an example by way of punishment, more of it made by our too individualistic and chance system. If Socialism were established, unless these classes were dealt with severely, were turned into slaves or close prisoners, they would make very intractable citizens in the Collectivist commonwealth. "But we should know how to deal with them," the Socialist says. "Moreover, they would only be on our hands at most for one generation, or until the grown generation had gradually dropped off, afterwards there would be no more of them." Unless, however, Socialism went about the matter of suppression in very fundamental fashion, by preventing the reproduction of such evil social types, which would necessitate in general the State control of and the arrangement of marriages, similar types would be born which no education could make into good citizens. The prisons under Socialism would be much fuller than at present, while the slave-gang, with the whip or prison in reserve, would have to be

substituted for the present natural punishment of the class that will not work, or the dismissed bad characters that none will employ. One thing is certain: the whole class would prefer the present system, with all its evils, to Socialism; for in general its members much like liberty, and do not much like work. They like their present freedom, which they have bought at so great a price. If the Socialist scheme were candidly explained to them, they would instinctively see it would not suit them; and though in revolutionary times many of them will attack society from instincts of destruction, or envy, or revenge, there is nothing they would like so little as a new construction on strictly Collectivist principles; and if they found themselves hemmed in in such a *régime*, they would be the first to revolt against it. They would, indeed, make much better Anarchists than Socialists, though for a continuance they would prefer to live under the existing *régime*, which does not oppress them, which leaves them their liberty and chances, and which is so far Socialistic that it promises them the necessaries of life in case of extremity.

IV.

SUCH, then, are the conclusions to which we are led, and such the limits within which improvements and reforms seem possible. There are, however, at present before the public certain special proposals for raising wages, for giving work to the unemployed, and generally for elevating the condition of the labouring class, more or less new, and more or less socialistic, notably one for the reduction by law of

the hours of labour to eight hours a day, which it may be desirable to consider in order to mark more definitely the limits of the possible, as well as to show more clearly the position taken up in this book on social reform. The first is a plan submitted by the Rev. H. Mills, in a volume entitled "Poverty and the State," a plan which he thinks would completely solve the question of the unemployed; a plan which would provide self-supporting and not disagreeable work for all unemployed labourers, and, indeed, for other possible applicants who might like to try it; which would combine the advantages of co-operative labour without being in competition with industries under private enterprise; and all this without costing more to the community than a certain amount deemed requisite to start and launch the scheme, which is estimated at double that spent for one year on poor relief. To do all this so simply would indeed be a great social miracle, and we might well believe with Mr. Mills that it would be followed by something like the millennium. The question is how far it is really possible, and in order to judge of this, it is necessary and it may be useful to consider the scheme briefly in detail.

The scheme starts from our existing system of poor relief, which it proposes to reform and extend, though afterwards, as much as possible to make us forget their origin, Mr. Mills proposes to give the name of "Co-operative Estates" to his refuges for the unemployed. To go a little into details: his idea is that each of the Poor Law Unions should be empowered by Parliament "to collect a sum equal to

the present expenditure on account of the poor for two years," with which to purchase tracts of land of about 2000 acres, which he thinks could be made to support double that number of persons, if duly stocked with cows, pigs, poultry, as well as with inexpensive machinery and plant. All kinds of unemployed labourers would be free to come to the communities or co-operative estates, and it would also appear that idlers, mendicants, and the recipients of out-door relief are to be driven to them. They would there raise their own food, make their own clothes, and with the surplus over their own wants in food, they could purchase necessaries such as coal that they could not raise themselves, and some things of foreign growth, such as tea and sugar. They are all to work on the co-operative system; or rather there is to be a certain amount of communism, but without equality of distribution. They are to work together, to take their meals together and at fixed hours. There is to be no competition with the outside English world in respect of any of their productions; but commodities that are now imported from abroad, such as wheat, butter, poultry, eggs, might be permitted to be sold, because Mr. Mills thinks there would be no harm in competing with the foreigners who send us these commodities. Moreover, he adds, contemplating the situation from the interned co-operators' stand-point, "If we did not sell something of our produce, we should not be able to purchase articles of foreign growth," such as "tea, coffee, petroleum, and oranges."

Such is the general idea, which is something like a plan of workhouse reform proposed by Robert Owen

to the Government in 1817, and which also bears a rude resemblance to Fourier's scheme. The first thing to be observed with respect to it is, that it would cost a good deal to the ratepayers: to buy and stock the 2000 acres, &c., would cost, on the author's calculation, close on 100,000*l.*; every Poor Law Union would require as much, and there are many of them. But then, we are assured, the scheme would be self-supporting ever after, and the honest working-man out of employment—the figure that, according to Mr. Morley, is more tragic than any Hamlet—would no longer sadden the sight of the philanthropist or trouble the thoughts of the politician and social philosopher. But could the scheme be made self-supporting? I doubt it greatly. I think it very probable that, in addition to the first outlay, there would be a yearly deficit, and thus the working man out of employment would not have the satisfaction of feeling that he was supporting himself. I grant that a proper assortment of labourers could probably produce their own food, if there were many agricultural labourers amongst them, with their wives to look after the butter, poultry, &c., some bakers, also a miller and a mill; they might produce coarse clothes if they raised their own flax and produced their own wool, and if further they had the necessary machinery and plant, the spinners and weavers, also tailors, seamstresses, and shoemakers. They could not produce their own coal, gas or light, tea or sugar, and they would have to be permitted to sell their surplus agricultural productions in order to get these things, though to the extent that they did sell such products they would be in competition with the

unaided English producers of the same, as well as with foreigners. If the co-operators sold their wheat cheaper than the Americans, they would be virtually in competition with English farmers, and they could afford to sell at almost any degree of cheapness in order to get the coveted necessaries or luxuries. We will, however, suppose this objection got over or minimized. Supposing that the unemployed came, there would probably be many kinds of labourers who could not be set to work at their own occupation. Masons and bricklayers would have nothing to do, as the common building (not to be called workhouse) has been already built; the carpenter out of work, the shipwright, the glazier, the plumber would have little to do, still less the printer, the cabman, the clerk, the cabinet-maker, the miner, the sailor, and a hundred more. They would all have to turn to the dozen or so of industries requisite to obtain the plain food or rude clothes and furniture required by themselves. They would not be allowed to make furniture, except for their own use, as they could not sell it; the furniture trade outside objecting to a competition with their work made possible by the public taxes. They could only make chairs, tables, benches, wooden bedsteads, and there might soon be "over-production." Most of them would, therefore, have to learn some kind of agricultural work, which would be the most profitable, if they were permitted to sell indefinitely. Spinning and weaving would only be possible in a factory with machinery, and these would be rather expensive. Tailors and shoemakers would indeed also be required; with respect to all other craftsmen or

labourers there would be no demand on the "estates" for their special work.

Then the agricultural labourers on the estates would not be the best of their kind. The best, if no longer needed in the country, get quickly employed in London and the great towns,[4] leaving few, or only inferior ones, to go on the "estates;" so that of those used to the work there would only be bad ploughers and diggers, reapers and threshers, while other workers, such as artisans and operatives out of work, could not be transformed quickly into such agricultural labourers. Besides, these men would not remain long (by hypothesis). They would only be there while their own trade was depressed, and they would hardly have time to learn properly any branch of agriculture before they would want to leave; while at the best they would not be the best class of workmen, or (as a rule) they would not be unemployed. There would be a constant efflux as well as influx of different sorts of inferior unemployed labourers, amongst which would be found very few genuine agricultural labourers But that would not be the worst.

Besides unemployed labourers properly so called who would not make good agricultural labourers, there would be on the estates a much more hopeless class, if, on our author's suggestion, all vagrants and mendicants were to be driven in (as in the Beggar Colonies of the Netherlands), and if all out-door relief were refused. If this course were really adopted, I think these last,—the mendicants and the former out-

[4] See Booth's "Life and Labour of the People" (of East London).

door paupers,—would soon have the estates nearly all to themselves, in which case, unless the discipline was rather severe, unless there were, as in Mr. Carlyle's similar scheme, "workmasters and taskmasters, life-commanders, equitable as Rhadamanthus and inflexible as he," I fear the experiment would be far from self-supporting. We should have "reformed" our Poor Laws, I hardly think for the better; we should not have solved the problem proposed, the problem of the unemployed.

To take the scheme in its most promising form, then, we must suppose the beggars and former semi-paupers absent, and either living as they do now, or planted on different "estates;" because the better part of the unemployed would not consent to associate with them in the intimate and equal terms required by the scheme. We must also suppose another thing not provided for in the scheme, namely, that many and good agricultural labourers are on the estate who will not, as a rule, be there unless special inducements are offered them, such as higher wages than they can expect in the towns, or equivalent advantages; we must also suppose the miscellaneous other labourers to take kindly to their work, to labour diligently and docilely as directed, and not to throw it up on too short notice; that is, we must suppose the plan considerably other than it is presented to us; while, even so conceived, it is doubtful, whether after paying the necessary officials and the genuine agricultural labourers their proper and larger share, the remaining produce would afford bare subsistence to such unemployed labourers as would be

there, while if competition with outside agricultural industry were forbidden or greatly restricted, as would be necessary for reasons already given, so much even would not be possible, so that the self-respecting unemployed would not feel independent of public help. On the whole, then, taking the scheme at its best, it would be a costly experiment for a very doubtful result; while taking it as actually stated, it would be unworkable.

As we have before noted, the slack time that can be fore-known should be paid for by higher wages when employed, which it should be the labourers' aim to secure by combination, leaving them at leisure, if they choose, during the slack time; while in many cases allotments would be useful adjuncts: but exceptional cases, where there is a wholly unforeseen depression of trade and diminution of employment, would seem best dealt with by special relief and public works.

V.

THERE is also a rather remarkable, if not quite new, remedy for poverty and the distressed condition of the unemployed [5] suggested by Mr. Charles Booth in a volume edited by him, and otherwise valuable for its figures and facts, entitled "Labour and Life of the People," vol. i. (referring to East London). In order

[5] It is substantially the same as the proposal of Carlyle in his well-known "Speech of the British Premier" to the assembled paupers and lackalls in the "Latter Day Pamphlets," and much like the proposal of Fletcher of Saltoun, in 1698, to the Scottish Parliament, to restore serfdom because of the great increase in the number of beggars.

to understand his proposal, it is necessary to give Mr. Booth's classification of labourers and of social grades in the districts to which his facts relate. They are as follows:—Class A, the lowest class of "occasional labourers, loafers, criminals, and semi-criminals;" not numerous, put at 1¼ per cent.; Class B, those who live by casual earnings, and who are in a state of chronic want, described as "the very poor," and amounting to 11¼ per cent.; Class C, which lives on "intermittent earnings;" and Class D, on "small (or minimum) regular earnings;" classed together as "the poor;" the four classes together amounting to over 300,000 out of a total of 900,000. Then we come to the more hopeful grades: Class E, at regular standard earnings, above the line of poverty,—42 per cent.; Class F, the better-paid artisans, foremen, and small employers,—14 per cent.; Class G, the lower middle class, of shopkeepers, small employers, clerks, &c.; and Class H, the upper middle class; the last two together forming about 9 per cent.

Now Mr. Booth's plan in brief is, to "harry Class A out of existence" (by the united efforts of the police and the magistrates); to carry Class B into captivity, and "to plant its members in industrial groups where land and building materials were cheap," where they should be required to work regularly and long under strict rules, where they should be employed, after being duly taught and trained, in building their own dwellings (a slight improvement on Mr. Mills' scheme), in cultivation of the land, in making clothes, or in making furniture; there being, as in the previous scheme, "no competition with the outside world."

Thus, by making a sacrifice of the lowest class, the classes just above, and all the rest of the labouring classes could live and thrive, and could aim at elevating their social and economic condition; by making a scape-goat of a class, society could breathe freely. Class C would get more work; Class D would get more pay; and Class E, the large ambitious class that has no fear of falling, that is chiefly concerning itself about rising, might go on trying to make the best terms it could with employers or otherwise to better its condition. By a slight infusion of Socialism, all the rest of society could live on the better and more bracing principle of a hardy individualism. At present "our individualism fails because our Socialism is incomplete." In taking charge of the lives of the incapable, State Socialism finds its proper work, and by doing so completely it would relieve us of a serious danger (p. 167).

And now how are we to get the lowest class of casual labourers into these industrial plantations? There is to be no compulsion, Mr. Booth says. "The only form compulsion could assume would be that of making life otherwise impossible; an enforcement of the standard of life which would oblige every one of us to accept the relief of the State in the manner prescribed by the State, unless we were able and willing to conform to the standard." That is, there is to be no compulsion nominally, but the enforcement of a higher standard would be practical compulsion, and, moreover, compulsion affecting some of the classes (C and D) just above the casual class who are Mr. Booth's special clients.

And most certainly without compulsion very few of the social types that Mr. Booth wants set apart and secluded will apply for voluntary admission. The class whose absence in the general individualist system is desired by Mr. Booth manages to live at present somehow; and, indeed, Mr. Booth's book throws some new and very interesting light upon the matter, but nothing to qualify our conclusion that few of them, if they could at all avoid it, would offer for voluntary service in the industrial colonies, much disliking, as Mr. Booth notes, all continuous labour, while such, both regular and rigorous, would be exacted under State direction. Some might try it, he thinks, if all other resources were stopped, but they would not long remain; they would prefer, as he says, their "crust and liberty," with all the chances and excitements of their present life, to the monotonous life and severe labour of the plantations.

As things are, then, they would not offer to go voluntarily, but the persistent mendicant, the mendicant tramp, and perhaps the man with no visible means of livelihood, might be sent by the magistrate; still more, out-door relief under the Poor Law, and all organized public charity, might be denied to the able-bodied adult, and a considerable number of recruits might thus be obtained. Some would prefer it to the workhouse, the only remaining alternative. The better class of distressed men would prefer it; the worse would elect the workhouse because it is *not* a workplace, unless it too closed its doors on the able-bodied.

There are other effects that would probably in

some measure follow the stopping of out-door relief and organized public charity generally. Some of the casual labourers would exert themselves more; those who laboured three days a week (the average, according to Mr. Booth) would exert themselves to obtain four, that is, the competition would be increased for the sum of casual jobs. There would be a more embittered scramble with the class of intermittent labourers, or casual labourers would intensify some of their present questionable methods of adding to their earnings, would put the strain on their wives and children to work harder or get more money how they could; some of them would be driven for certain into the criminal classes, into which their own class shades down in its lower sections, so that Class A, which Mr. Booth thinks might be "harried out of existence," would probably be increased, and not only crime, but immorality, would probably be greatly increased by the endeavour, however well meant, "to induce or drive Class B to accept a regulated life." Some of its members would have found refuge in the workhouse, some would be in the prison; a great many would maintain their old way of life by keener competition, perhaps by new and original methods of begging in evasion of the law against beggars, and in still more questionable ways; but so long as the springs of private charity were not stopped, as they would not be, our martyr class would not be all driven away, but only a small number of them, to the industrial villages. The convicted beggar and vagrant would be there, some honest unemployed workers of the class above, and a few of Class B; unless, indeed the

authorities forced the able-bodied ones now in the workhouse on the plantations; that is, unless the workhouse as an alternative for the able-bodied adult were also taken away.

But it is urged that this class of casual labourers pulls down a better class of men; that if it was gone, one class (C) would have more work, another (D) more pay, and that they cannot rise so long as this class beneath is dragging them down by its competition. But to this the casual labourer might retort with effect, "No doubt if we were all gone, the unemployed would be better off, as they would get paid for doing our work; but so would we be better off if they were gone or employed. It is they who are dragging us down, if the thing were rightly put, because they are competing with us for our immemorial jobs, for the jobs and spells of work always done by our class. We were here first. We have prescriptive right, the right of first occupation of the field. But we, it seems, are to be driven off for their benefit, that the class of men out of regular work shall get our work to do in their unemployed and leisure time, and that another class may get higher wages, though we are hardly in competition with the second class at all. It is we who are too many, it seems to some philosophers. Thank them very much. But we have as good a right to our place as any other class, and if we are sometimes in want, it is partly owing to the competition of men who should not be in competition with us, but who come to take the bit out of our mouths. There is a certain amount of our kind of work always to be done; it suits us; as a

rule it isn't hard work, but then it isn't well paid, and it's not very dignified, which last we don't mind ; but the work should be done by us, not by the idle men of other trades. We should be protected from their competition if there were any rights. These jobs and chances form the hereditary property of our class, the only thing we did inherit. We have the good-will of them, and we can't be expropriated more than any other class save by force and injustice. No doubt some of us are unfortunate at times, still we rub along somehow and don't complain much, and if we now and then come on the rates, why so do our betters. And if you want to benefit the unemployed (from bad trade), let the authorities find work for them, while if unemployed intermittent labourers or ill-paid labourers are to be benefited, let it be at the cost of their employers that profit from their work, or the public, and not at our cost. For ourselves, all we further ask is that you leave us alone."

Thus may urge the casual labourer. It would, in fact, be unjust to either force or drive them away; moreover it would be impolitic, as before said, and largely impracticable. But even if they were all bodily removed and made State slaves, as Mr. Booth suggests and as Carlyle recommended, the State would have a serious task on hand, because on Mr. Booth's calculations the class in question is very numerous. In the district covered by his figures (East London and Hackney) it amounted to $11\frac{1}{4}$ per cent., and if we assume the same proportion all over the three kingdoms, out of a population of near forty millions there would be over four millions to be relegated to the in-

dustrial communities ; or say the proportion was less in other parts of London and generally over the kingdom, let us put them at three millions. This would be a very large body to be dealt with, in addition to our indoor paupers. We need not insist on the very unpromising materials they would be for labourers. They would mostly be men who had never learned any regular calling, but who might be able to do many miscellaneous things. They would not like regular work from the habit of their lives ; they would mostly be incapable of it, from want of physical strength or endurance. They could only be kept to it by punishment, which in their case would be cruelty ; and even then the work would be bad, and small in amount. So much indeed Mr. Booth admits ; that the work would be bad, and probably far from self-supporting. He adds, however, that even now their work is costly to society, forgetting that when they are removed it must still be paid for to the class that takes their place, so that society would still have to pay for it, as well as for the deficiency on the work in the semi-penal colonies. Society would, in addition to the inmates of the workhouse, have three or four millions of slaves on hand, sent into captivity for the benefit of the classes of ill-paid labourers just above them, and unjustly expropriated from their hereditary chances because they were somewhat more unfortunate than these classes.

There is little doubt that their absence would raise for a time at least—and if population was not unduly stimulated, would raise permanently,—the condition of the struggling classes just above the displaced casual

class. Profits and interest would indeed be reduced, so far as wages were raised, unless inventions were made or the work done was better or greater in amount, and the elevation of wages would to some extent contract the field of investment which the former cheaper labour made possible, so that a fresh fringe or margin of unemployed labour would be another consequence of the raised wages. The new unemployed would not be so numerous, indeed, as the relegated class, but some there would be, the disengaged capital probably going abroad for investment. On the whole, the rest of society would probably be the healthier for the absence of the class ; the question is, are we willing and ready to benefit the better class of labourers at the cost of the lower and more unfortunate, at the risk, also, of increasing crime and immorality ? I doubt very much whether opinion would be in favour of it, especially as the sacrifice of the lower class would entail a certain sacrifice to the classes receiving profit and interest. I think it would be opposed as tyrannical and unjust, that opinion would set itself against it, and that a rigorous attempt to stop out-door relief would be defeated by voluntary charity. I am afraid, therefore, that this plan for the benefit of the unemployed must also be ticketed with the fatal word "impracticable," though if society generally insisted on it, it would really benefit the existing unemployed, as well as the low-paid labourers. It is not, therefore, absolutely impracticable ; it is only relatively so, and for the reason that it is most unlikely that opinion will be in favour of it, at least for a long time to come.

CHAPTER XI.

AN EIGHT HOURS' WORKING DAY.

I.

A FAVOURITE plan at the present time for absorbing unemployed labour, as well as for improving the general condition of all labourers, is to make eight hours the legal working day, overtime to be paid extra, and at higher rates. This proposal has found more general support than any other, both amongst labourers and social philosophers; it is therefore deserving of a careful consideration.

The view held by its supporters is, that the reduction in time of work would result in an equivalent reduction in the amount of products and services, while society, requiring the same total of both as before, would be obliged to draw on the unemployed labour to supply the deficiency. Those employed would thus have more leisure, with wages undiminished; they might still add to their wages by overtime, while there would be few or none out of work.

Such, in brief, is the theory. Or in figures: the working time being reduced from ten hours (which is about the present average day's work) to eight hours, the resulting quantity of products and services will be

reduced in the same proportion, that is, to four-fifths, leaving one-fifth unsupplied, which the unemployed can furnish. It is assumed in the argument that the quantity of work required, the amount of commodities (the necessaries, conveniences, and luxuries), including the amount of services, is a constant amount, though such is by no means the case, as Professor Cairnes justly points out.[1] Society can dispense with a large part of the amount if necessary, just as it could stomach far more commodities, conveniences, and luxuries, if it could get them easily.

And in the case supposed of a general reduction in working hours, society will and must reduce the amount of its consumption of all things except absolute necessaries; more especially as a large part of the society that is supposed to require a constant amount of commodities and services is composed of foreigners who purchase our manufactures, and who would certainly purchase less if the prices were raised, which would be the consequence of reduced hours unless wages were reduced, or unless more energetic labour for the shorter day resulted in as great production as before.

Let us trace the possible consequences more fully and specially. Employers will get eight hours' work from their employés instead of ten; that is, they will get only four-fifths work from them, and by consequence only four-fifths the amount of production (or of services) for the same wages, assuming the efficiency of labour to remain the same. Omitting the consideration of services (though the argument equally

[1] "Leading Principles of Political Economy," Part II. c. iv. § 3.

applies to them), and considering only the case of productive labour, the first obvious result in our largest and most important industries would be the reduction (and in some cases the annihilation) of employers' profits, as well as of interest on investments in such industries.

That such result would follow, assuming the efficiency of labour not to increase, can be easily demonstrated. The product will be less by one-fifth; and as it is the price of the product which pays wages and profits (including interest), unless the diminished product can be sold for the same price as the previous larger product, that is, unless the price of a given quantity or measure can be raised, profits must suffer. Now if the price cannot be raised with any advantage to the producer, as is the case in many manufactures, and if wages are not to be reduced, of course profits would bear the whole brunt of the diminished production; and they might sink to zero or a negative quantity in some cases.

In our great staple industries, prices could not be raised to recoup loss of profits without causing a diminished demand, which would soon result in diminished employment, that is, the unemployed would be increased. The diminished demand would be more diminished wherever we are closely pressed by foreign competitors, as in the linen and cotton trade, the iron and steel trade, machine-making and other industries, and the result might even be our exclusion from some foreign markets, and even the occupation of a part of the home market by cheaper foreign production. But if prices could not be raised, what

would employers do? Would they be likely to take on additional hands, thereby making their losses still greater, as the additional hands would be inferior hands? Moreover, whence would come the additional capital under the circumstances of declining profits and interest?

What would happen under the circumstances in the trades in question (assuming that the nature of employers and investors remains the same) would be a reduction of wages all round in the same or nearly the same proportion as the reduction of working hours. The employed might strike, but if the employers were firm, the former would have to give in. Even making the extreme supposition that the State forbade the reduction of wages as the natural consequence of the reduction of hours of work, it would not benefit the labourers, because fewer of them would be employed at the wage which did not allow average profits. Under the circumstances, if wages were not reduced, capital would decrease. There would be less possibility of saving. The normal increase of capital required each year beyond the preceding one to keep pace with normal increase of population would not be forthcoming. There would be less possibility of saving, both because incomes would be narrower, and there would be less inducements to save for home investments yielding less interest, so that a larger proportion of the smaller saved capital would go abroad, unless, indeed, the eight hours' movement, or an equivalent reduction in hours, was universal, in which case the capital would stay at home, but there would be less of it. New companies

would cease to be formed at home; old ones would be wound up, as well as private firms; from all which causes the number of unemployed labourers would be greatly increased, instead of being lessened.

Nor should too much reliance be placed on the "double shift" argument, which maintains that in certain industries, by taking on two successive sets of operatives for eight hours, profits can be saved. Thus we are told that many manufacturers in the industries requiring much fixed capital would not object to an eight hours' day, if they could get a second set of operatives for another eight hours, as they would recover any possible loss on the result of the labour of the first set by the additional labour they would get out of their machinery without having to pay any more for it; that is to say, their expenses as regards machinery, consisting of interest and depreciation to be made good, being the same whether the machinery works eight or sixteen hours, if they could get a second set of labourers they would, as it were, be getting the use of the machinery for nothing, since they will be at no additional expense as respects it save a little faster wear and tear.

The argument is theoretically sound; and it would be good for some manufacturers if they could get the second shift to come after the first. But it seems they can't, for if they could—the argument holding equally good for a nine hours' day—they would have done it already. But supposing the workers were willing to go for a second shift, what would be the likely result? There would be a competition to get the best hands for the second shift, which would

tend to raise wages and to draw some unemployed labourers. There would not be many of the latter, however, as there is nothing to increase either the foreign or home demand, prices not being lower, there would only be the same quantity of production required as before, and consequently only the same quantity of labour, and therefore only a fifth or less additional labourers at eight hours a day. We may say generally there would only be the same number or a little more required in both shifts taken together than before, that is a little more than half the number in each, or if the same number were kept on in each they must work only half time, that is the machines would be as idle as before, though to get fuller efficiency from them was the object of the double shifts. Such would be the rather absurd result if the labourers were spread equally over all the factories in the industry. What would happen, however, under the competition supposed, would rather be that the most able and energetic employers would perhaps get the double shifts if they paid sufficiently high wages; they would have a double number of the best labourers, while others would be working half-time in each shift, while others again would be obliged to quit the business altogether. After the weaker firms had disappeared, the labourers would have the eight hours' day and some leisure, at the cost of a certain change of habits, which might seem more than a counterbalance. There would also be higher profits to the survivors, and some additional labourers employed.

Such is the general result that would happen suppos-

ing the labourers were generally willing to consent to a system of relays,[2] but the system being for the present impracticable, if not undesirable, the only alternative to save profits in manufactories would be a reduction of wages in factories equal to the reduction in time: the labourers would then give a chance to some of the unemployed, because there would then be no need to raise the price, the foreign demand would not contract, and there would be additional labourers required to supply it, whom employers could take on at the same rate as the other labourers, or a slightly reduced rate, without loss of profit.

But the general objection to an eight hours' act for mills and factories, unaccompanied by any reduction in wages, would be greatly reduced if our foreign competitors made a similar reduction in working time, in which case the relative advantages or disadvantages of competing nations would remain as before, and we should have no fear of a reduction of our foreign markets by an advantage given to rivals. There would then only be a contracted demand to apprehend from the raised prices, which would affect our competitors equally with ourselves, while, if hours were everywhere reduced, and if labour generally became

[2] A writer in the *Nineteenth Century* (July, 1889) thus explains its advantages:—"In the cotton trade it can be shown that if the hands, instead of working in one shift of nine and a half hours a day, worked in two shifts of eight hours each, the extra work got out of the machinery would more than compensate the mill-owner for the diminution of hours,"—which implies that *every* mill-owner could recover and more than recover profits, and that the hands are willing to work in the two shifts; the second proposition being very doubtful, and the first requiring large qualification, as shown above.

more efficient through the additional heart and energy thrown into it, as to some extent it certainly would, it might not even be necessary to raise prices, in which case the gain would be more than the loss. Leisure, a most important thing for the labourers, would be gained; and if the labour was only sufficiently productive, the employers would not lose. There would not, however, in this case be any additional and unemployed labourers required. The whole gain would be reaped in leisure by those already employed.

As much might be gained, even though the labour were less efficient than we have supposed, if employers would be content to forego a part of their profits, not necessarily large, which probably a small rise of price would restore without much lowering of the demand. But all this postulates, in addition to very effective labour, an international understanding between our Government and that of competing countries with respect to the reduction of working hours; except indeed in those industries where our superiority is great, or we have a monopoly of the foreign market, in which cases we might act independently within the limits of our advantage.

II.

What we have said hitherto applies to our great national industries, the greater part of the production in which is for the foreign market. In these industries the amount of the product required, or the demand, is never fixed, but is essentially elastic. The same may be said of a great variety of other industries which produce commodities not absolutely indis-

pensable. The consumption is not fixed: people consume more or less according to the cheapness or dearness in the case of things which, without being precisely luxuries, can be done without wholly or partly. In these cases reduced hours would result in elevated prices, in diminished demand, perhaps in greater proportion than the diminished production, in which case there would be lessened employment, or else lessened wages for the same number of employed. This is the case as regards a great number of products consumed by the middle and even the best paid of the labouring class, such products including all the more or less cheap luxuries. In these cases the contraction in demand following a rise in price differs in different cases, being less as the luxury approaches nearer to the character of a necessary. On the other hand, the amount of necessaries consumed in a country, the amount of food, clothes, coal, light, is tolerably, though not absolutely, fixed. The amount of food in particular is fixed, though not any particular article of diet, except perhaps bread. A fixed amount of bread is required, and consequently a certain quantity of baker's labour, but not of English agricultural labour, since much of the required wheat is raised in America. We may say, however, that a tolerably constant quantity of baker's labour is required, as well as of miner's labour; of the different kinds of labour in the building trades (masons', house carpenters', &c.,) in the clothing trades, in the furniture trades; and in these cases the reduction of hours would require the taking on of more labourers. The reduction of baker's hours, unless machinery could

take the place of men, would give employment to more bakers ; of miner's hours, to more miners ; of gas worker's, to more gas workers (unless people should prefer oil-lamps to gas) ; of tailor's hours, to more tailors. In all these cases the employer could accept reduced hours without losing profits. But he must raise the price ; though not necessarily in the same proportion as the hours have been reduced, because the price of the raw material, the cloth or flour, has not been affected by the more costly labour of the baker or tailor. The price of bread, of clothes, of fuel, of house-rent, of gas would all rise though in different degrees. Some of the unemployed would be required in all these trades, especially in the mining and building industries ; but the chief contributors to their support would be, not the employers, who will have got their usual profits, nor the well-to-do part of the public, who might otherwise have had to maintain them by increased rates, but the labouring class in general, as being the great consumers of necessaries, all of which will be somewhat raised in price. The better part of them, if they agitate for an eight hours' day, and are successful in getting it, will virtually have taxed their own necessaries for the benefit of some inferior members of their class.

In this class of industries they would have merely submitted to a reduction of wages for the benefit of some of the unemployed. They would themselves also gain more leisure, but the question is, are they willing and anxious to submit to a virtual reduction of wages in order to get it? As regards the general question, even if all the labourers, or a

decided majority of them, were in favour of the eight hours' day, it does not follow that they should have it, for it might be bad for their own interest, even as they themselves understood it, or it might be bad for interests other than their own, or the majority might be made up largely of the present unemployed, who would like the chance of getting work, but whose places would be taken by a different class of unemployed. To pass a law which would certainly have for one effect to create a new, probably a larger, class of unemployed, even though some of the old ones would be at work, could hardly be considered as either just or expedient policy. Such a law should not be passed unless it were first demanded by a large majority, were favourable to their own interests, and not too injurious to other interests. But the contrary of all these it would be, if it were applied to every industry under present circumstances.

But supposing a decided majority of labourers in a single industry such as mining were agreed as to the desirability of an eight hours' day, might not the State in such a case be asked to make it a law for that industry, since otherwise particular employers in agreement with their labourers might find it their interest to go against the majority? It would depend on the special circumstances of the case, one being the effect of the law on other labourers and the general interest, through the increased price of the commodity. The State should not interfere with free contract between employers and employed, unless for a decided national benefit, or to redress a hardship or injustice suffered by a class of labourers

unable to protect themselves (as in the case of the reduction of the hours of women and children in the textile industries). Now as regards mining, eight hours are, without doubt, a sufficiently long day's work, the labour being exhausting, disagreeable, and dangerous, and in this case the reduction of hours would be an advantage on the whole. It would give some leisure to hard-worked men, and it would make room for additional labourers, while the rise of price would only affect directly one or at most two articles of the labourer's consumption, coal and gas: nevertheless, the reduction should not be made by the State unless it was clear that a very large majority were in favour of such action by the State.

There would be little objection, too, to an eight hours' working day in shops, whether wholesale or retail. The quantity of business to be done is tolerably fixed, as people have to make their customary purchases whether trade is bad or good, though they have not the same amount to spend. If the shop hours were limited, say to ten hours (the work being less exhausting than some) instead of twelve or fourteen, the business could be done almost as well by the present staff, without any need to increase either the number of distributors, or, in consequence, the price of the goods. All that would be necessary would be a slight change in the habits of purchasers. Only so far as the distributors send their employés to deliver goods to customers would prices tend to rise by reduced working hours, as more employés would be required, though not to any large extent; and in this particular case the reduction of hours

would be almost an unmixed good to all, including the shop-girls and shop-men in the large establishments; it could only affect injuriously the smaller shops that supply the poorer classes, who can only purchase at special times.

There are other industries or services where the working hours are injuriously long: as in the baking, the tailoring, and generally in the clothing trade, the railway, 'bus, and tramcar services. In the case of the railways a reduction would result in an increased staff at diminished wages, the rates not admitting of profitable increase; in the 'bus and tramcars it would result in higher fares, perhaps in some ceasing to run; while in the case of the East-end tailors the reduction of hours, excessive as they are, would throw many of them out of work, who would be opposed to it. In those trades or businesses which produce luxuries for the rich, the hours might be reduced with advantage; more would be employed, but the employers would not lose, as they could raise their prices, which would be cheerfully paid by people to whom high price is a matter of indifference, sometimes even of preference. But in all these cases the reduction, wherever desirable, can be secured by trades unions, except in the case of shop-assistants.

To recapitulate: in the case of manufactures an eight hours' day would result either in reduced wages for the same number, or in the employment of a less number, from diminished demand through raised prices, unless labour were more efficient. There would also be the danger of losing our foreign markets, unless a corresponding reduction of time

was made by our competitors. In the case of a large number of commodities and services used at home but not absolutely necessary, where the demand expands or contracts with the price, reduced hours and raised prices would result generally in lower wages or lessened employment, though not equally so in all cases. In the case of necessaries for home consumption, reduced hours would raise prices, though not perhaps greatly in the cases of bread or clothes. In these cases, self-interest being assumed, unanimity amongst labourers is hardly to be expected. The unemployed would gain by an eight hours' day at the cost of the community, and chiefly of the employed; therefore legislation would be inexpedient. In the case of mining, the limitation of hours would, on the whole, be a decided gain. The only interest affected unfavourably would be that of the consumer, who should, however, be willing to forego something to benefit a large class of overworked labourers. It is not so certain that the State should effect the limitation, since a decided majority in combination could effect it for themselves, the employers' interest not being adverse in this case to that of the employed. In the case of the East-end tailors and others worked excessively long hours (or paid very low wages) the interference of the State would merely throw a number of them out of work, and would not be acceptable to them. The long hours or low wages here come from the fact that there are too many of them seeking employment. If the numbers were less, they could prevent the long hours or low wages. And even as it is, if they wanted less hours, they could

effect it for themselves by trades unions, and the refusal to work so long; but they could only do so at the cost of some of their numbers being thrown out of work. They cannot all, therefore, afford to go into trades unions to lower hours or raise wages, which would merely have for effect the exclusion of a number of them altogether. In this particular case it is the excessive competition from excessive numbers due to foreign immigration, which lies at the bottom of the long hours. Where the numbers are excessive, neither the State nor trades unions can prevent the evils, except by excluding some of the workers, that is, increasing the unemployed.

CHAPTER XII.

Practicable State Socialism:

(II.)—by the extension of government management in the sphere of industry.

I.

It remains to consider how far the State might itself advantageously undertake a certain portion of the field of industry. At present it works satisfactorily, as well as successfully from the economical point of view, the postal and telegraph services, and it has recently extended the postal service so as to include the transport of small parcels; that is to say, it has to a certain extent become, in conjunction with the railway companies, a carrier of goods. To be a complete carrier even of parcels, it should own the railways, their rolling stock and other adjuncts; and the question arises, whether the Government might not undertake wholly the carriage of goods and passengers by purchasing the railways, and working them in the public interest? It is a kind of work peculiarly suitable for Government management, being largely of a uniform and routine character, not demanding from the general managers the complicated calculations and resources required in manufacturing industry, and for which work, however responsible or difficult, the Government could secure as capable managers as the companies. Besides, the

railway interest is of the nature of a huge though qualified monopoly; or rather there are as many monopolies as there are companies without competition. Hence the chief check on the monopolists' charges in freights and rates is their own sense of self-interest, which is by no means always coincident with the public interest or convenience. It is true that our great railway companies have not abused their position to the gross extent that the companies in the United States have done, but there have been abuses, and they are liable to abuse to a degree which would not be possible if they were under the control of the Government, with no other interest but that of the general public.

If the State undertook their management, the working expenses would probably be reduced by diminished salaries to directors for one item, and the gross receipts would probably be increased by the greater regard paid to the public convenience and comfort. For this would increase the number of passengers, while the amount of traffic would not be decreased by fairer freight, which would facilitate trade. The result would most likely be a fair balance of net profits beyond their present amount, which would be for the public benefit, and which might be employed to reduce taxation, or in other ways. The purchase of the railways and their adjuncts would, however, necessitate the borrowing of some 700 to 800 millions sterling, the interest on which could be paid by the profits resulting, with something left to help to extinguish the principal, if deemed advisable. And the disengaged capital of

the paid-off shareholders, what is to be done with it? As to that, it would partly go to fill up vacancies made in other investments by the Government borrowing for the railways, partly it might swell the general loan fund so that some of it would overflow into foreign investments, if there were not enough promising new enterprises at home; the total effect being most likely beneficial by calling forth extra savings. Or, the financial change might be less, as many of the shareholders might prefer to leave their shares under the Government management, that is, to lend their money, supposing they got their old interest or something near it, so that to the extent that they did so there would be a mere transfer of their credit to the Government instead of to the railway companies.

One result would be a great increase in the civil service of the State, and an increase of Government influence. There would be a number of appointments with varying salaries thrown open to the general competition of the whole nation, with a certain equalizing and diffusing of opportunities, wherein would consist its chief good result. It would be so far a carrying out of the St. Simonian ideal of awarding places according to talent, without regard to the favour or patronage of individuals. There would be abler persons filling the higher appointments than at present, because the ability of a wider area would be drawn upon.

And having gone thus far, is the State to stop or go farther and absorb all industries, substituting its own management for that of the private capitalist

or the company? This question the Collectivist or co-operative Socialist answers very confidently in the affirmative. All industries are to be absorbed one after another, or all together; the manufacturing, the mining, the carrying, the distributing (or shopkeeping), even the agricultural, the exporting and importing—all these huge provinces are to be annexed. Private enterprise, or exploiting for a profit as it is called, is to be extinguished, and the State or the collectivity is to be all in all, as well as the owner of all, in the sphere of industry. This scheme in its universality we have already examined and pronounced judgment upon; and there only remains to add a few words with respect to certain portions of it.

For many reasons every addition to Governmental management in the sphere of industry should be slow and tentative, of the nature of an experiment requiring a whole generation to read the resulting experience rightly and free from doubt. And the Government should make a long pause after the absorption of the railways before it took the much more responsible step of venturing into the field of production proper, because with all drawbacks the present system of private and individualistic enterprise has been fairly successful, and far more so than we could hope that Governmental management in general would be. We can see strong reason why the private capitalist who has made or inherited his place is a better man for it than the superior Government official, generally devoid of initiative, and with less keen interest and energy. The capitalist actual

or potential is under the keenest known stimulus to the efficient production and exchange of his wares, to the discovery and annexing of new markets, to the trial of new and likely enterprises by which he may make a fortune. He will find capital, he will undertake risks, he will finally succeed, if only he is assured of the fruits of his enterprise when successful.

In these ways capitalists have enriched the country by the establishment of wholly new industries which would not have existed without them. Nor is there reason to think that Government in future, even with the command of scientific knowledge and inventive faculty, would be so successful in the creation and development of new industries as private enterprise urged to sleepless activity by the hope of a fortune, or of great additional profits.

The stimulus of private interest would be greatly weakened under complete State Socialism, and unless other motives which now are weak, such as benevolence, public spirit, honour, can be strengthened by opinion, by morals, or by miracle, or unless the latent ability in the "nouvelles couches sociales" which would be evoked and stirred to great activity by the career opened out for it would partly compensate, the certainty is that production would be less, and that there would be a diffused poverty, with a less reserve for disinterested intellectual needs. For these reasons, amongst others, the State should be slow and cautious in making an inroad into the territory of private productive enterprise, which moreover would be more contrary to traditional usage and sentiment in these countries than in others

where the functions of the State have always been wider in the industrial sphere.

But these considerations, however strong, may in some directions have to give way to stronger, and they have considerably less force in the case of the mining industries, both because the raising of coal or metalliferous ore does not seem a work the management of which calls for any transcendent ability in the mine-owner, who moreover mostly deputes the work to a manager, and next because these extractive industries easily lend themselves to monopolies and combinations injurious to the public interest, as in the case of the Pennsylvania coal-masters, who agreed to limit supply so as to keep up prices. There are other reasons why the production of coal, which is both a primary necessary of life, and the basis of all our industries, should be under the management of the State, which could take more precautions for the safety, and care for the health, of the large mining population, probably thereby saving the cost of the present inspectors. We should not then have restrictions on the output of coal as in the year of the coal famine, for the sake of raising prices ; nor, on the other hand, a too liberal use or reckless waste, or even a too free export of a prime necessary of future generations.[1] Mining is a

[1] On this point Prof. Sidgwick remarks, "The restriction of private property in the contents of the earth may hereafter become a matter of great practical importance, through the progress of geology and the gradual exhaustion of the stores of valuable minerals easily obtainable." ("Principles of Pol. Econ.," Book III. ch. iv. § 13.)

case where the maximum of State interference is already called for, and already exists; it would be only going a little further to substitute complete State management for the private enterprise that requires so much regulation. The State could then set an example of the virtues which it has inculcated on the present owners, but which they have found so hard to practise, and the resulting experience would be of great service before going any farther in the direction of State Socialism. The State management would both disclose its own capacities, and it would exercise a very salutary effect on the much greater field of productive industry, remaining intact under private direction.

As to our great industries which have been planted and developed under private enterprise, they should be left to private enterprise, until at least the great superiority of Government management is demonstrated; but they may be interfered with in the interest of the workers' health and comfort, and the proceeds are to be held liable to such requisitions as the State may deem just and fair. In addition to manufacturing and agricultural industry—embracing most of the production proper of goods—their circulation should be left to voluntary enterprise, which in the form of the Co-operative Store, and the great wholesale house, is fast eliminating the unnecessary and parasitic middle-men whose profits so largely swell the consumer's price. No doubt the small men will go to the wall as well as the unnecessary middle-men, but this though a painful necessity, is a less evil than the alternative of high prices to the poor for

inferior goods. And the great distributing capitalist will make great profits ; but he also confers a service, and those who do not like him are free to patronize their own co-operative stores. The sale of drink, food, drugs, and the like, may be interfered with to secure purity and good quality to the public, but there would be no advantage gained by the State or municipalities undertaking the work of distribution, and substituting its officials for the existing ones. In fact if the State is not the universal producer, it could not with any advantage be the general distributor, though by appointing inspectors to certify as to quality, it performs a useful and necessary work in protecting the public, while leaving the work in the hands otherwise best suited to it.

The public might also require protection from high prices due to monopoly through the combination of distributors, which is more possible in the sphere of distribution than in that of production, and to which, moreover, there is a distinctly increasing tendency at present in certain directions, and here it would seem desirable that the monopolists should have before their mind the *possibility* of State interference, and even of State expropriation as a salutary restraint to prevent too great abuse of their position.

There is one necessary, in addition to fuel, light and water, the production of which cannot be wholly left to private enterprise,—namely, houses, so far as intended for the working classes and the poor. The municipalities should in the first instance supply a certain proportion of houses of this description in order to break the monopoly of the present

owners, and to deliver the poor from exorbitant rents, amounting frequently to a quarter of their wages, for a bad house. The ground landlord, the builder, and the house-owner between them divide a very large revenue, levied on every one in the form of rents, but which press especially on the poor, the rent of whose houses is raised to a scarcity price in many places, because they must live, or find it convenient to live, near their place of work, and because there are many applicants. The demand for houses and house accommodation exceeding the supply, forces up the rent, though the house be bad and unhealthy ; and here is one case where the municipalities might counteract the selfishness, and stay the hand of the house-owner, by partly supplying houses for the lower classes at rents which would allow them only current interest.

II.

THERE is a large province of industry in which co-operative labour cannot be applied with any very decided advantage, and in which for other reasons it is not desirable to attempt it on a large scale. I mean agriculture, because in it the advantages of the large system of production so conspicuous in manufactures is disputed, and in any case is not great, while the application of it on a large scale in Europe generally, would amount not only to a universal agrarian revolution, but to a revolution in social habits and in daily private life. Here, therefore, there is no room for State enterprise, any more than for the extreme thing desired by the collectivist-socialists.

For hundreds of years the cultivators of the land have been living in France, Germany, and most countries in isolated farmhouses, or in villages, cultivating the soil with the help of the grown members of their families, and sometimes of hired labourers. This has been the case too in Ireland, Scotland, Wales, and (though to a much less extent) in England also. The cultivators of the land are attached to their way of life, and everywhere are peculiarly conservative in habits and sentiments.

Now co-operative farming, as conceived by the Socialists, would require them to change their way of life, to live in a common residence, or at least in close proximity to each other, to abandon their traditional homesteads, to give up their sense of private proprietary rights, their sense of independence, the things, the most cherished and consecrated in their feelings, and that make the very essence of their life, and all for what? That by their united labour thrown into a common stock they might finally, after re-division, have perhaps a little more than they would have had working on their own farm for themselves. For this doubtful gain added to the inseparable company of their fellow-co-operators, of which they might easily have too much, they are to submit to be officered and brigaded by the State. For a possible trifle extra per annum, they are to bring themselves, or let themselves be put into community enforced and distasteful, (for all this is gravely proposed by the Collectivist leaders, though for prudential reasons but slightly referred to in working-men's programmes). But however tempting the prospect is made, and however

the authority of the State is kept in the background, I do not think many peasant proprietors in France would be tempted to voluntarily enter the Co-operative and Collectivist Commonwealth so far as it embraces agriculture.

And now let the Authoritarian Socialist observe that the extra amount per annum would certainly not be forthcoming; since it is precisely in the case of peasant properties or good land tenures that the individual owner or tenant is stimulated to the maximum of industry and careful cultivation, because the results directly accrue to himself, while under co-operative farming it would not be his obvious interest to labour with such energy. On the contrary, it would be each one's interest to do least, provided the others did not act on the same rule, and there would be the fatal temptation to each to do less than his utmost, which not even the presence of the overseer (however necessary under the system) could overcome wholly; from which it follows that even aided by the best machines and the largest holdings, the quota of the co-operative farmer would be less than that of the individual farmer

Let us add, to come near home, that in Ireland, or the Highlands, or in Wales, as it would be wholly impossible to get the present occupiers into the agricultural brigades, so even if it were tried with agricultural labourers it is much to be feared that they would disagree amongst themselves. And they certainly would do so, as well as take their work easy, unless the discipline of the brigades was of the strictest kind.

For these reasons, I should recommend the Socialist to give up the idea of including, merely for the sake of symmetry and universality, the farmers in the Co-operative Commonwealth. The older agrarian Socialism will suit them better—that which aimed at equality in the main and liberty, and which secured it by planting each one under his own vine, at a convenient distance from his fellows, but not too far for neighbourly help and voluntary co-operation. This has succeeded in France, in the United States, and other countries, and it is a further development of this that we want in Ireland and parts of Great Britain, and not Co-operative Farming, which for political, social, and historical reasons, is out of the question.

Here, then, is one very large industrial province not suitable for State management, and a very large population that for a very long time must be exempted from citizenship in the Co-operative Commonwealth. The farming class of Europe and the United States are not indeed opposed to Socialism, but they will only be Socialists in their own fashion, and in the old sense. They are not, as a rule, opposed to the different Socialism of the town artisan, which aims at the control and possession of capital, only they think it does not concern them, provided it does not bring prolonged anarchy.

III.

AND here I find myself between the "points of mighty opposites," between Adam Smith and all the classical economists reinforced by Herbert Spencer

on the one side, and on the other, St. Simon, Karl Marx, Lassalle, Louis Blanc, and all the radical and systematic Socialists. The reasons for rejecting Socialism and the Socialist solution of our social difficulties I have already given at length ; it remains to justify the middle position held by showing the insuperable objections to the opposite system of non-interference in the economic sphere, of which Mr. Spencer is perhaps the most eminent living advocate.

It must indeed be allowed that any doctrine proceeding from the philosopher of Evolution deserves weighty consideration, and he is wholly opposed to State intervention in the sphere of industry, whether in the way of regulation or management. He furnishes new arguments to the *laissez-faire* school, drawn from the general principles of his philosophy. The functions of the State, he thinks, should be minimized both in its legislative and administrative capacity ; it is not its business to undertake industry at all. In the ideal Society of the far future, the functions of the State will have ceased in its legislative capacity. There will be no need of coercive law when our nature has been completely broken in or adapted to its environment : right conduct will then be done as a matter of course, and will even be pleasurable, so that laws with penalties may be dispensed with. Its administrative sphere also will be reduced to zero when industrialism shall have completely extruded militarism. There will be no army, no navy, and the Civil Service will be reduced to the smallest compass. In fact the State, if evolution only goes in the lines it should and would go,

if men would be wise and not perversely set it on the wrong track as they are evidently now doing,[2]—the State will in time become almost a great rudimentary organ, serving only for ornamental and ceremonial purposes, and as a reminder of what it once was; but no longer necessary. It will be a great survival, merely testifying to a past unhappy history, and to unfortunate but long-forgotten human necessities.

In the future perfect social state, however, there is to be co-operation, because, as Mr. Spencer tells us in the "Data of Ethics," in that state "complete living is secured through voluntary co-operation," and the fundamental principle of distribution is "that the life-sustaining actions of each shall severally bring him the amounts and kinds of advantage naturally achieved by them" (p. 149), or in less abstract language, that "benefits received be proportioned to services rendered," this being the universal basis of co-operation. But that benefits be proportioned to services implies two things. First, that there be "no direct aggressions on person or property;" secondly, "no indirect aggressions by breach of contract." If these two negative conditions be observed, life will be facilitated up to a certain point. The industrial life will be complete, and industrialism, which is the antithesis of militarism, will have its full and free sphere. Nevertheless such life would be incomplete; for "a society is conceivable formed of men leading perfectly inoffensive lives, scrupulously fulfilling their contracts, and efficiently rearing their offspring, who yet yielding to one another no advantages beyond

[2] See "Man *versus* the State."

those agreed upon, fall short of that highest life which the gratuitous rendering of services makes possible." Accordingly, then, this incomplete life, which nevertheless complies with all the conditions of industrialism, and strictly owes to no man anything, must be supplemented by gratuitous rendering of services, in order to reach the highest life which lies at "the limit of evolution." There should be both give and take as regards these extra virtuous deeds, because they do good to both parties. The giver has a special gratification, the receiver a special good, and both increase the "quantity of life."

This complete living, and the perfect social state, however, lie a long way off, in fact countless generations. Meantime, as we stumble along slowly towards it, co-operation is necessary, and at the basis of co-operation is the eternal requisite that benefits should be proportioned to effort or services. But how to proportion benefits to services, or reward to work, is precisely where all the trouble lies. This is, in fact, the social problem. According to Mr. Spencer, two conditions must be first observed; life and property must be assured, and contracts fulfilled; while according to most modern social reformers, property and contract,—laws of property and the power of making and enforcing unfair contracts—have produced great social evils, and now prevent benefits from being proportioned to services.

The monopoly of capital in relatively few hands has made the worker dependent, and in the contract with the owner of capital, the worker is in an unequal and necessitous position which compels him to accept

what he can get, which is not necessarily a benefit proportioned to his services; while the small tenant farmer in his contract might be compelled hitherto to pay all above bare subsistence, if rents were determined by competition, if the landlord insisted on his bond, and if the law backed him up. And how do Mr. Spencer's conditions of social life under full industrialism help us here to solve this difficulty which is urgent? We are to let things alone. The State is not to interfere; not to try ever so little to redress the balance, or to diminish the dangerous inequality of property, no matter what its origin. It is sacred once called property, or once its acquisition has complied with the coarse conditions which imperfect and often selfishly made laws prescribe. Do not aggress after that. But is it not evident that laws of property and contract, the legal conditions of acquisition and ownership have powerfully assisted in bringing about our actual social situation and overgrown inequality? And that without some alteration in these and some interference of the State the evils could not be corrected? In short, on the path before us, on the way to the Spencerian millennium, we are confronted with a tremendous social problem, which has convulsed nations, which has already produced two or three revolutions and formidable risings in France, which is now agitated in all civilized lands, in Germany, France, the United States, England, which must be dealt with somehow, and we expect a great writer on Sociology to tell us how to deal with it. In his "Social Statics," indeed, he recommended the nationalization of the land, in his "Political In-

stitutions," he still thinks that the nation may one day resume possession of it, but is not certain. As to the Capital and Labour Question, he gives us no answer in his latest book, "Man *versus* the State," save a repetition of *laissez-faire*. Don't interfere to regulate industry, and don't interfere to manage. This, however, leaves the question unsolved, and presumably his solution is that it will settle itself, if only the State will be completely neutral, while if the State interferes it will make matters worse. But it might take a long and painful time to settle itself, and it might not settle itself peacefully. What would the State do in the latter painful contingency? It might have to interfere, or even take a side, or worse, there might be the dreaded militarism in its worst shape of civil war to get the control of the State, as the violent Socialists threaten.

Without interference, it might happen that most of the capital in a country might pass into the hands of a relatively small class, as might the land, in which case there might be the practical slavery of the majority of the nation, of all who work and render service. In such case what may be the actual reward of a large section of the labourers? Bare subsistence, if the population be numerous, while the superior classes may roll in splendour. And would this approach to the realization of the formula for a fair division—the proportioning of benefits to services? if not, and if it has taken so long to get not much further than this on the way to the "limit of evolution," even with a little Government interference in recent years in behalf of the less fortunate class, it would seem that

a little more interference might hasten our pace, and help us to approach nearer to the right apportionment of reward to work, or of benefits to services.

Further, it should not be forgotten that the State interference of recent years was just, as well as necessary. Because, for a long time the State had interfered on the other side, on the side of the masters against the workmen. Moreover it is not difficult to deduce the necessity for State interference from Mr. Spencer's own fundamental principles. According to him protection to life is necessary; from which follow Factory Acts and Government inspectors; the former containing regulations for the protection of life and health which had been previously endangered, through the master's selfishness and cupidity, and where his self-interest could not be depended upon to take proper precautions voluntarily. The inspector is himself in fact, as Prof. Jevons says, a necessary product of social evolution and the division of labour. There arose a distinct need of him, and the only question was whether he should be appointed by the Government, or chosen from a body of local experts, less likely to be efficient and impartial.

And then we should consider what would have been the probable consequences had there been no interferences, had the principle of *laissez-faire* been worked out absolutely and unmitigatedly. We should have had a proletariate of servile workers, degraded in physique, in mind, in morals; mothers working in mines and factories, their sickly children dying without a mother's care, or surviving with enfeebled frames; other children ignorant and

savage, worked to death or growing up savages ; the whole labouring population turned into mere human plant and instruments to make the fortunes of masters, constantly becoming more insolent and inhuman from impunity. We should have had the "slave gangs" of the Roman Republic repeated, only that the slaves would have been the countrymen of their masters, neither conquered in battle nor born in slavery. We should have had a caste of servile labourers working for the capitalist's fortunes as well as for the general convenience. That is a deducible consequence, had the system continued in its strictness and the hands submitted. But they probably would not have submitted ; had not the Government interfered before their physique had been destroyed, and their spirit broken, they would have rebelled against their masters, and if necessary against the State, putting all to hazard. They had leaders at the time of the Chartist agitation, who would have appeared earlier had the *laissez-faire* system gone on ; they would have counselled the operatives to try extreme courses, and the counsel would in all probability have been followed, because Englishmen have a sense of justice and a latent disposition to stand up for their rights ; so that on all the grounds of humanity, justice, and prudence, Governmental interference was imperatively called for, and the Government alone could stop the evils which it was shown by experience could not be left to self-interest, however enlightened. Social evolution left to itself, unregulated by Law, takes too long to bring assuagement to the existing social sufferings. Mean-

while the existing generation dies, having been sacrificed. Moreover, social evolution uncontrolled leads as likely as not, judging from history, to social dissolution, to a social Serbonian bog of anarchy, instead of the happy and peaceful social millennium where men "exchange specific reciprocities of aid under agreement, supplemented and completed by exchange of services beyond agreement."[3]

Further, it is a consequence from Mr. Spencer's "Law of Equal Freedom," as Professor Sidgwick affirms, that there should be interference of the State to produce greater equalities of opportunity, without which the law of Equal Freedom is of little use to us. That law is that "every man has freedom to do all that he wills, provided that he infringes not the equal freedom of any other man." But what is the good of such freedom, when the monopoly of others, who have all the land, all the places, all the capital, all the credit, all the means of getting a chance of any of these, prevents its exercise? To make this law a Magna Charta for the human race requires, for the people of these countries at least, a certain amount of Government interference and of Government legislation, in addition to the voluntary virtues of individuals. There is no real freedom, any more than equality, or even equality of opportunity in our modern communities for the propertyless, and such must either be helped by the community, or remain slaves, or pariahs, or obtain a living by dishonest or infamous courses, and it is better that they should be helped

[3] "Data of Ethics," p. 149.

by the State when young, by getting education at least, which will give them a chance of a career, or of getting an honest livelihood.

As to the still greater interferences of the Government involved in the undertaking of certain industries, this undoubtedly is a course that should be entered upon with the greatest caution,—slowly, tentatively, and but a little at a time ; that should not be further adventured upon—until the light of experience has been gained, that is, until we have full experience, and until that experience has been fully and rightly interpreted, which, as Professor Jevons says, is the great difficulty. It is difficult to read the results of experience, from which diverse conclusions may be and commonly are drawn, and which only the mind most capable and most conversant with the special matter can be depended on to rightly read. For these and other reasons before adverted to, the State will not lightly undertake the management of any branch of industry already established. For still stronger reasons it will not undertake the initiation or creation of any industries. Nevertheless, this does not apply to certain kinds of business, those chiefly that have been or may be turned into monopolies, or are likely to be dangerous and hurtful to the public interest. At the lowest great trading corporations or combinations require extensive regulations in the public interest ; if they abuse their powers for selfish purposes, management by the State, which has no interest except that of the public, may be necessary.

But the end of these things is Socialism, according

to Mr. Spencer. Yes, no doubt. Still there is no necessity either to go to the end full and complete, or to be in a hurry. But we are told the momentum will surely carry us to the end: "the changes made, the changes in progress, and the changes urged, will carry us not only to State-ownership of land and dwellings, and means of communication . . . . but towards State-usurpation of all industries [4] . . . . And so will be brought about the desired ideal of the Socialists." [5] I reply, we need not go to the end without a clear view of the advantages to be gained. The "changes urged" have to be first carried; nothing compels us to go on if we don't like the prospect, if we can't discern the general advantages, if we see greater disadvantages; still more if we are stopped by impracticabilities or impossibilities. We may go on, stop at any point, go quicker; all these courses are possible. There is no fatality in the matter: no necessary all-compelling momentum irrespective of the general volition. Even if we should go on to the end, it may be sufficiently far off to comply with the conditions of evolution, which, as Mr. Spencer tells us elsewhere, only demands long enough time to effect any change, however vast.

The terror is, that when the end does come, we shall be governed by an army of officials who will destroy all liberty. It will be a reign of slavery worse than the Egyptian. There will be the Inspector, with workmasters, and taskmasters. And why? Because "all Socialism is slavery." Now, as before

[4] "The Man *versus* the State," p. 39.
[5] Ibid. p. 39.

said, even if this were true it would still be a question of the comparison of the degree of slavery under the present system, with that under Socialism full-blown. The officials at any rate would not be enslaved; they would be the enslavers, the rulers; the rest would be the slaves; but at present the majority of workers are enslaved largely by their work and the necessity of working. The free are those who can live without work, or those who direct work, the landlord, the *rentier,* the capitalist. The officials under Socialism would be the most capable in the nation. And the question arises whether it would not be better to have capacity at the head directing than capital, which, after being gathered as often by cupidity and astuteness as by ability and saving, is passed on so often to incapacity by inheritance. If the hierarchical principle is to govern future society, a hierarchy according to capacity is better than any other, as the wise of all times, from Plato to St. Simon and Carlyle, have asserted. It is the "eternal privilege of the foolish to be ruled by the wise," as the latter has written; and society will always be restless and in unstable equilibrium, until capacity, as such, has its due influence in the State, the absence of which, more than the poverty of the poor, is the cause of the present general unrest. At present money rules in all directions. It may be in the hands of capacity, in which case it has too much power; it may be in the hands of incapacity, in which case it has unnatural power. Under full State Socialism ability would at least be searched for amongst all, and when found would be at least as

likely as either wealth or privilege to have virtue conjoined with it. The officials, therefore, might not reduce all the rest to slavery; even if they did they would have a better right to do so than any other powers. They could not, at any rate, hand us over to the rule of their sons, as there would be no hereditary succession to power. If there must be a governing class, this would be the fairest sort, as well as the most natural, and the most beneficent for all.

Thus it would still be a question of the comparison of evils, even if we were obliged to go on to the end. But, as already stated, there would be no necessity for so doing, simply because we started on the road in order to get some of the foreseen advantages or to escape from some present evils. We want the principle introduced of giving chances to capacity as a counterpoise to the great power of capital and inherited wealth or privilege, a third power to supplement and to qualify these, but not to supersede them. We want this because of its justice, its advantages from an economic point of view, and finally because of its necessity. And the only way in which the third power that is without capital can be evoked is by the State searching for and educating destitute capacity, as also by extending the functions of the State in the industrial sphere, in order to provide additional places for this educated ability. The first half of this can indeed be done by the voluntary effort of rich men by gifts and bequests; the second can only be done by the State itself.

CHAPTER XIII.

ON THE SUPPOSED SPONTANEOUS TENDENCIES TO SOCIALISM.

THERE are others besides Herbert Spencer who discern Socialism as the end or logical outcome of certain tendencies which now prevail or which are thought to prevail, and as all prophecies in modern times must be based on what we know of existing tendencies, supplemented by what history tells us of the course of similar tendencies in the past, it is a matter of importance to know how far such tendencies do really exist, and if they do, to gauge, if possible, their probable momentum, and to judge whether they are likely to be permanent or passing, because confident prophecies have been hazarded on the strength of certain tendencies, while at the very moment of the prophecy a counter-tendency was setting in.[1]

The alleged tendencies to Socialism are chiefly two: the tendency of the State to widen its functions, especially in the economic sphere; and the tendency

[1] As in the case of De Tocqueville's celebrated prophecy that nothing could stop the tide setting towards democracy and the equality of conditions: although a counter-tide towards a new inequality had already set in, with as a consequence of it the rise of a new aristocracy or plutocracy in all Western Europe.

to increased concentration of wealth. As to the former there is no doubt that the modern State has a tendency to widen the range of its activity in the economic sphere, as also in the interests of culture, and this tendency is to a certain extent Socialistic. The tendency exists; it has increased in England during the present century, especially since the passing of the first Factory Acts in 1844. It has increased especially in the legislative sphere, and as far as the regulation of industry is concerned; it will increase further in the interests of the health, the happiness, and the morals of the working class; so in like manner the tendency to assume industrial functions on the part of the central or the local government will increase. Nevertheless this tendency will not increase fast nor go far, unless a second tendency which we have now particularly to consider should develop and show itself socially mischievous.

The second tendency is that towards the increased massing together or concentration of capital which has been going on all through this century, at first as a consequence of the industrial revolution and the needs of the large scale of production, then by the undertaking of ever larger enterprises requiring vast sums of capital, as in the making and working of railways: a tendency which first showed itself in the instance of the great individual capitalist, then in the company or union of capitalists, and lastly, within the past few years, in the syndicate or union of companies. This second tendency does exist; it is likewise an increasing tendency, and under certain circumstances of abuse

into which it would be tempted to fall, it might lead to Socialism, not because of its affinities, since it is the very opposite of Socialism, but by way of repulsion; it might lead to excessive government regulation, or to the superseding of the syndicates by government management in the interest of the public.

But before considering the circumstances which might lead to such State Socialism, it is necessary to clear away a mistake as to the concentration of capital, to point out a mistaken tendency, which, if it really did exist, would probably lead to Socialism by a far shorter road: the mistake that the increasing concentration of capital, which is an undoubted fact, is an increasing concentration or accumulation in ever fewer individual hands; a mistake made conspicuously by Karl Marx, which was endorsed by Cairnes and Fawcett, and which lies at the bottom of all their desires to change the present industrial organization by substituting for it universal Collectivism, as Marx would wish, or co-operative production, as the other two prefer.

According to Karl Marx, Socialism will come when the process of evolution has resulted in a few colossal capitalists face to face with millions of exploited and expropriated proletarians, including many smaller capitalists who have been undersold and driven into the ranks of the proletariate. "When the constantly diminishing number of the magnates of capital has resulted in a few gigantic ones with a growing mass of misery, oppression, slavery, degradation, and exploitation;" and when, in addition, "the working class, increased in numbers, organized, disciplined,

and united by the very mechanism of the process of capitalist production itself, is animated with a spirit of revolt," then, he declares, "the knell of capitalist property will sound, the expropriators will be expropriated." But we can now see that Marx mistook the course of the industrial evolution, and that he prophesied without due allowance for other facts and forces that might check, or cross, or turn the tendency he thought he had divined.

According to Cairnes also, as we have seen, the tendency is to "an increased inequality in distribution. The rich will grow richer, the poor, at least relatively, poorer." And he recommends to the latter co-operative production as their sole hope. Now Cairnes' mistake was the less excusable, as he wrote at a time (1874) when the tendency to great individual accumulation had received a check, and there were statistics available that might have tested his deduction. And in fact all that his argument really proves is that the *class* receiving interest (and occasionally wages of management, in addition to interest) tends to get a larger part of the produce than the *class* that lives by hired wages, or, as he puts it, that the wages fund tends to lag behind the other parts into which capital is divided. This last, if true, would still be a sufficiently serious thing, though Mr. Giffen, the eminent statistician, denies its truth; but true or not, it is a quite different thing from the increasing concentration of wealth in individual hands, which Cairnes appears in the above quotations, to think implied in it: that one class, and a large class, tends to get a somewhat larger share than another, and a much larger

class, would not be a desirable thing if it could be prevented: it would scarcely be an argument for a total change in our industrial system, as desired by Cairnes, still less for the further social and political changes desired by advanced Socialists.

According to Comte also (writing in 1850) the tendency was to the greater concentration of capital in the hands of individual capitalists; he thought the tendency a good one; far from desiring to thwart it by human volitions, he affirmed that the tendency would necessarily and beneficially lead to a more pronounced Capitalism instead of to Socialism, and with the capitalists ruling in the political as well as the industrial sphere;—so differently did the philosophers forecast the future from the same assumed tendency.

Now if the tendency were really to the concentration of capital in ever fewer hands, with a mighty mass of ill-paid and discontented workers, and with no great middle class lying between, then indeed the transition to Socialism more or less complete would be much easier to accomplish, and in some shape it would probably come; at least it would be easier to expropriate a comparative few; it would be almost impossible to prevent it, the forces of might and justice added to envy being adverse, and with no mediating middle class. Both might and morality would be on the side of the labouring class, and the fall of such a plutocracy might be safely prophesied. But Marx happily was mistaken as to the tendency. The tendency is not to the greater and greater fortunes of individual capitalists. That tendency did however exist during and for a certain time after the industrial

revolution, especially in England so long as she had a comparative monopoly of the continental as well as other foreign markets. And the tendency was so marked, it lasted so long, and some men became so rich, that Marx may be excused for generalizing too hastily from it, as undoubtedly he did. That tendency has now almost ceased in England, from increased competition, from the want of the old opportunities, from increased wages, from the spread of companies, and other causes; and though it did exist at the time Comte wrote, according to M. Leroy-Beaulieu it has ceased in France, the law moreover having there considerably assisted to check it by the equal partition of inheritances amongst the children.

The real tendency at present is to the greater massing together of separate portions of capital owned by many capitalists, small, great, and of moderate dimensions; to the concentration of capital certainly, but not to its concentration in single hands; to the union of capitals for a common purpose, while still separately owned. The tendency is to the creation of companies and unions of companies; to the transformation of the larger businesses into companies with larger capital, the original owner retaining a large portion of the shares, and possibly a large influence in the management, if the business is in a sound condition. The tendency is also to give business ability without capital chances of becoming rich through the management of such large concerns, and greatly to increase the number of directors of industry who, without being large capitalists, may in time become considerable capitalists.

II.

THE tendency to the concentration of capital, then, does exist as a fact, and Socialism might conceivably come as the end of the tendency; only it will not come as the result of its concentration in the hands of a few mammoth millionaires, for the tendency is not towards such in any country save the United States, and even there the tendency is not marked, or it only shows itself in comparatively few instances. It might conceivably come as the result of a universal syndicate and monopolistic *régime*, which, if the monopolists greatly abused their position, might necessitate the State either to regulate stringently or itself to occupy and undertake those industries whose abuses proved incorrigible. But if a partial Socialism came in this way, it would give the present system a much longer lease of life, both because the process of monopolistic occupation will probably be slow, and because the capitalists of a given country will not be, as Marx prognosticated, a small number, but hundreds of thousands, probably millions, who would oppose a very powerful resistance to State occupation of a given industry, unless where such occupation was manifestly beneficial for the great majority.

The great multitude interested, the great number of owners of capital, whether in large or small portions, including the more intelligent artisans, would certainly make it difficult or impossible to expropriate them, would indefinitely delay the process, and only those industries could be taken over by the State the

functions of which were discharged to the detriment of the community.

If indeed every province of production, distribution, and transport were occupied by syndicates and monopolies; if they abused the natural strength of the monopolist's position by raising prices to the utmost, and especially prices of the prime necessaries, while at the same time trying to reduce wages to the lowest point; if, in short, they were animated solely by egoism, and without conscience, or humanity, or public spirit, the public outside the industrial world, the large and intelligent middle class outside the industrial class, would probably side with the labouring class in pressing on the Government the suppression of the worst of them and the undertaking of their functions.

But, in the first place, the universal occupation of the industrial field by monopolies, and the extinction of competition, is very far off; in the second place, where any large combinations show too much corporate selfishness they can be pulled up by State supervision, and in certain cases great potential combinations can be nipped in the bud, their formation can be prevented by the State refusing permission to the companies to unite as "contrary to public policy" or to public interest; because a company is, in a certain sense, a creation of the State, as is likewise a Union, and neither should exist, or receive permission of the State to come into being, if deemed likely to prove inimical to the general weal, so that the State could always check early or altogether the formation of possibly objectionable unions. Where, as

in a case like that of railways, they were necessary, it would not be desirable to prevent their formation; they could always be checked if they abused their position, and conditions should always be attached to the concession of powers and privileges to them. It is, therefore, extremely unlikely that the industrial field will ever be occupied by a few colossal and irresponsible syndicates, or that the State will be driven to substitute itself for them, save possibly in a very few cases.

Lastly, the Syndicates would have to be devoid not only of conscience, humanity, public spirit, but also, what we can less easily suppose to be absent, common sense and prudence, if they tried to extort the highest prices in cases of necessaries supposed to be controlled by them, or, on the other hand, to reduce wages to the lowest point, on the ground that labourers had no alternative work; such would be dangerous policy for themselves, though no doubt there would be a temptation to it which might prove too great for some employers. Only in such a case of abuse would the State be called upon to interfere and either strictly regulate or itself undertake the function abused.

But the result of these several considerations is to put off universal Socialism indefinitely as a natural evolution, and points merely to the introduction of such partial applications of State Socialism as peremptory public exigence may require, in those cases where a social function could not be entrusted to private enterprise, whether monopolistic or competitive.

III.

THERE is also the tendency on the part of the labourers to co-operative effort, from which some people expect the elevation of the labourers and the composing of the quarrel between capital and labour by merging the two; and this tendency does certainly exist; it is, moreover, in the direction of Socialism in the widest sense of the word; only it is a much slower tendency, and a smaller one, more especially in the field of production, as already stated. Of the two tendencies, one to co-operation on the part of labour, and one to the spread and consolidation of companies on the part of capital, the former will not develop fast enough. The company will develop much faster, and Socialism might much sooner come as the term of that evolution unchecked than through co-operation. But the one might be restrained by the State; the other might be quickened; the State might become the working man's bank, to some extent, as it has been the creditor of the farmer in Ireland; it might lend at market rate, say at 3 or 3½ per cent., to such associations of workers as had saved a moiety of capital, if they could show the likelihood of success in their projected enterprise. But as this point has already been considered, it is not necessary to enlarge on it here any further than to say that the working classes, now that they have got so much political power, may not improbably press for some State assistance to increase the number of owners of capital, especially as the results of unaided efforts must be extremely small and slow.

What political action to improve their economical position they may take cannot be precisely stated. It is by no means likely that they will ever combine to demand a maximum working day in England. They will not ask the help of the State for the purpose; nor will they, with the Socialists, ask it to fix a minimum of wages, which they can if they choose themselves fix through Trades Unions. They may ask for the nationalization of the land; though it is not clear, if landlords were compensated, what they would gain by it beyond the creation of small farmers, the granting of allotments to agricultural or other labourers, as an occupation for slack times; all of which may be secured otherwise: so that it is not easy to forecast the resultant line of action of the working classes, more especially as the interests of the skilled and unskilled labourers are not always identical, however the desires for higher wages and fewer hours may be common to both.

IV.

THUS far as to the existing tendencies. As to the final goal, it is very difficult to say what it will be, or what the end in which society will rest (if, indeed, it ever attains to rest other than provisional equilibrium). And it is difficult because of the new and unforeseen factors that arise in the course of an ever-expanding evolution which might upset our calculations; new factors, industrial, social, moral, religious; new physical discoveries, like steam or electricity, that might revolutionize industry; new moral or religious forces that might revolutionize manners, and

the scheme of life, and with it indirectly the distribution of wealth; and great physical discoveries and inventions affecting industry, we may indeed certainly look for as in the normal course of evolution.

Society *may* indeed come to the collective ownership of land and capital, but it will not be for a long time; it *may* come to equality of material goods, but it will be at a time still more remote. On the other hand, the system of private property and freedom of contract may last indefinitely or for ever; but if it does, we may safely prophesy that it will be brought more in accordance with reason, justice, and the general good, and, though there be never equality of property, there will be a nearer approach to equality of opportunities, and a somewhat nearer approximation of the existing great extremes of fortune.

Eminent writers during the past hundred years have prophesied far more confidently as to the future: Karl Marx, as we have seen, that the concentration of capital in the hands of a few would lead, naturally, necessarily, and at no distant date, to their expropriation, and to a Collectivist *régime;* and De Tocqueville, that society was being borne invincibly to a state of general equality of conditions, where the State would continually become more powerful. On the other hand, the sociologists, who, if their science were all that its name implies, should be able to forecast the future, "to look into the seeds of time and say which grains would grow and which would not," predict very differently: Comte, that the concentration of capital in ever fewer hands would and should lead definitively, to the political rule of the capitalists, tempered by the

counsel of positive philosophers, and that within a short space of time; while Herbert Spencer, as we have already seen, filled with the doctrine of evolution, and impressed with the lesson it teaches as to the length of time required for changes for the better, discerns at "the limits of evolution," countless generations hence, as goal, a system of property and contract, purified and supplemented by voluntary benevolence, with the authority of the State reduced to a minimum.

In like manner Mill prophesied; but his conclusion was different. He prophesied that co-operative production, "sooner than people in general imagined," would transform society by superseding the capitalist employer; and with respect to the two exactly opposite prophecies of Mill and Comte, all that need be said is that neither of them has been as yet fulfilled. Co-operative production has not advanced, nor, on the other hand, has the capitalist attained supreme political power, though of the two perhaps the prophecy of Comte has come nearer to fulfilment.

When De Tocqueville wrote his remarkable book on "Democracy in America," the new tendency to inequality had not shown itself in America, there *was* great equality of conditions, and there was likewise considerable equality of conditions in France as a consequence of the Revolution. De Tocqueville generalized from what he then saw, and prophesied a further and a general equality, though somewhat prematurely, because a tendency to a prodigious inequality was setting in at the time he was writing, a tendency first manifested in England, that increased, spread

embraced the civilized world, that was followed by a new social conquest, and the rise of a new and potent monied aristocracy. It grew greater; and generalizing from this tendency, Karl Marx prophesied it would grow still greater until all capital was concentrated in a few hands: the capitalists would then be expropriated, and Socialism and equality would come. But Marx, as already stated, based his prophecy on a misread tendency, a short tendency which had spent its full force before he died, just as De Tocqueville based his prediction on a supposed tendency gathered from the facts of a generation earlier. Both were wrong, a great current towards inequality came, especially in America, after De Tocqueville wrote, in 1835, just as there came a check to the concentration of capital in fewer hands, and a tendency to its dispersal, before Marx died.

Others also have prophesied in our century, though without pretending to base their predictions on the scientific study of political or social phenomena: St. Simon, that the golden age was in the future, and that society would reach it through his doctrine; Carlyle, that the abyss lay before society, unless the Great Man appeared to save it. To the like effect the poet-laureate also speaks: "Before Earth reach her earthly best a God must mingle with the game."

What is the lesson to be gathered from the prophets and writers on the science of society? Not that we should expect an early and radical transformation of society; neither the supremacy of a few capitalists, nor yet their early expropriation; hardly even that we should expect the coming of the

semi-divine man of Carlyle and Tennyson to set things right. The chief lesson is the rashness and exceeding doubtfulness of specific prophecies which are grounded as often on hopes or fears, likes or dislikes, as on superior insight. The prophets are, however, in general optimistic; they believe in progress or evolution; and they believe that civilized society is progressing to something better than the present state, though they differ considerably as to what constitutes that better. I share this faith on the whole myself. I believe that society is in movement as part of an inevitable process to something better in the end, though some of the stages to it may appear to be really worse for particular generations. I believe we are moving towards a better, to "a far-off divine event" which cannot be fully perceived at present; and I believe that the road to it lies through something better than the present which can be perceived. To get to this better will require the co-operative efforts and volitions of men, especially of the working classes, and of their leaders. Social thinkers will be required to furnish light and guidance, and also, it may be, great statesmen filled with the spirit of understanding and justice, and with regard for the general good. There will be neither miracle wrought, nor sudden social transformation, which would be a miracle in order to last; but with good sense, self-reliance, and persistence on the part of the many, assisted by the light and help of the few, and with better dispositions on the part of employers of labour, a considerable advance for the whole people, and especially for the cause of labour,

might be made during the present generation: while with these same conditions as permanent facts, the movement for social reform, if not the socialistic movement, will advance as fast as is desirable, and will realize in future as much good as the nature and complexity of things social and things human will allow.

THE END

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